

Future family generations as stakeholders in family businesses:

A grounded theory approach

Vera Tens

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Heriot-Watt University
School of Management and Languages
Department of Business Management
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ABSTRACT

This research investigates the meaning that is given to future family generations as stakeholders in their own rights by managers of family businesses. It uses a stakeholder perspective to establish whether stakeholder status is attributed, and if so, whether these stakeholders are regarded as important to the business – or not.

The initial review of the academic literature identified that future generations of society have caused an ongoing debate on whether stakeholders have to be human or can in fact also include non-human entities. Future family generations, however, do not fit into this dichotomy as they present a special case: they are non-human initially, but over time become a human entity. Moreover, the initial literature review established a neglect of consideration for future family generations as stakeholders in their own right.

In order to identify the (stakeholder) meaning that is given to future family generations, this research employs a constructivist grounded theory research strategy to explore first, the entity in the firm who attributes stakeholder status (with or without importance to the business), and second, whether and under what circumstances future family generations may be considered as such.

Data was collected via 31 face-to-face in-depth interviews with interviewees working in family firms that are all based in Scotland. The family businesses ranged in size from one employee to several thousands; and in type anything from local butcher to large scale manufacturing company. The analysis of data was done in parallel with data collection, in line with grounded theory requirements, applying the researcher's interpretivist worldview on coding and all data analysis.

The data from this research leads to the conclusion that future family generations require to be regarded as stakeholders in their own right. However, this research finds that the meaning given to future family generations is largely not about attributes, i.e. properties, of the stakeholder, as suggested by several academics, but instead a construct of one or several considerations of the firm's manager(s). The considerations identified in this research are linked with transfer of

ownership, temporal dimensions, prioritising and underlying assumptions of traditions and goal-setting. Nevertheless, the research also finds that the existing dualism of family and business in family firms is an underlying theme; specifically, when identifying that it is the family business owner/managers who are acting upon their meaning given to future family generations and not other managers in the firm. Moreover, this research finds that the family business owner/manager may not only take on the role of proxy for the firm in regards to the stakeholder entity future family generations, but may also act as a human proxy for future family generations itself, in connection with the business; that is, creating a dual-proxy role for the family business owner/manager. The latter proxy role was identified in this research to be linked with considerations of temporal dimensions of future family generations, leading to the disaggregation of the stakeholder entity future family generations into smaller ones by interviewees. This segregation of future family generations by their temporal dimension creates a conflict with the current academic debate on the dichotomy of human versus non-human stakeholders as it goes beyond that by creating additional entities.

DECLARATION STATEMENT



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Name:	Vera Tens		
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GLOSSARY

AMR	Academy of Management Review
AMJ	Academy of Management Journal
ASQ	Administrative Science Quarterly
BEQ	Business Ethics Quarterly
CEO	Chief executive officer
CFG	Current family generation
CGT	Constructivist grounded theory
CSR	Corporate social responsibility
ET&P	Entrepreneurship, Theory and Practice
FBR	Family Business Review
Fam O/M	Family business owner/manager
FB	Family business/firm
FD	Finance Director
FERC	Family Enterprise Research Conference
FFG	Future family generation(s)
GT	Grounded theory
GTM	Grounded theory method
HR	Human resources
IFERA	International Family Enterprise Research Academy
JBV	Journal of Business Venturing
JMS	Journal of Management Studies
JOM	Journal of Management
MD	Managing director
NFG	Next family generation
PFG	Previous/past family generation
PRIOR	Prioritising
SMJ	Strategic Management Journal
TempDim	Temporal dimension(s)

CHAPTER 1 - INTRODUCTION

In 2012, Salvato and Aldrich (2012) stated that (p.125):

From Marx to Schumpeter, theorists have predicted the long-term triumph of large publicly held firms at the expense of closely held family firms.

The authors summarised the seemingly commonly held scholarly view that family firms, and potentially especially small and medium sized enterprises (SMEs)¹, are likely to be pushed out of business or taken over by large (public) firms. History, however, has shown that this has not always happened to the degree predicted. Instead, both SMEs and family firms are still regarded by many academics as vital to the local, national and/or global economy (Basco, 2013a; Hewitt, 1997). Miller and colleagues (D. Miller, Steier, & Le Breton-Miller, 2003), for example, established through their research that “[f]amily owned and controlled businesses account for an enormous percentage of employment, revenues, and GDP in most capitalist countries” and that family businesses “represent one-third of the Fortune 500 and about half of the U.S. gross domestic product”, and were said to “employ over 80% of the work force” (ibid, p.514).

In Scotland, 69% of all companies are said to be family businesses, and family firms are said to contribute 49% to the UK (United Kingdom) GDP (Gross Domestic Product) (Scottish Family Business Association, 2016a)². In 2002, 69% of SMEs in Scotland were family businesses, and 54% of all family firms were still controlled by the founding generation (Scottish Family Business Association, 2016b). The Scottish Family Business Association (2016b) further states that only 33% of firms manage to get to the second generation, and only 9% into third generation. Moreover, the association established that many firms fail not for business reasons, but reasons linked with the family; and that 46% of owners of 2nd or later generation businesses are actively discouraged from running their own business.

Yet, despite these identified issues and more importantly, the often-argued importance of family firms to the global economy, it has also been pointed out

¹ The definition of SME here is in line with that of the European Commission (EC, 2013).

² The year of this data is unknown as the information is not provided on the website.

that researchers have somewhat neglected family businesses in their considerations (Astrachan & Pieper, 2010b; Ates, Garengo, Cocca, & Bititci, 2013). This research aims to close this gap.

As recently as 2015, Richard Priem, a globally respected management theory scholar, addressed the IFERA (International Family Enterprise Research Academy) conference and bemoaned the ongoing reluctance of some management theorists to incorporate the specific context of family businesses into their research (Priem, 2015). He thus re-iterated the point made by Sharma and Carney (2012) before him, that academics still lack a full understanding of what value “family” brings to business and its environment. In other words, research should address the question: What differentiates the family firm from other types of businesses? Priem, and other academics, therefore emphasised the need of more research in the field of management theory that accounts for family; again, a gap that this research aims to close by combining a management theory (stakeholder theory) with the specific context of family firms.

The initial literature review conducted for this research and presented in Chapter 2 of this thesis highlights that “the family” and its influence on, and involvement with, the business impacts not only on decision-making in family firms, but also their running (Klein, Astrachan, & Smyrniotis, 2005). Succession and its process has been found to be of specific importance (Yu, Lumpkin, Sorenson, & Brigham, 2011) in this context. It thus becomes clear that while family businesses are important to the global economy in general, future family generations specifically have an important role to play in this academic gap; one, which this research specifically focuses on to address and aims to close.

The initial literature review also suggests that the pursuit of non-economic goals such as socio-emotional wealth (SEW) plays a role in family firms (Gomez-Mejia, Cruz, Berrone, & De Castro, 2011) as do considerations of long-term orientation (LTO) (Brigham, Lumpkin, Payne, & Zachary, 2014, 2016; Lumpkin & Brigham, 2011). The latter topic is often identified as linked with succession, and specifically with future generations of the family. However, the literature review also establishes a lack of past academic consideration for future family

generations as stakeholders of the family firm. This not only applies to research in the family business field, but to management theory in general, and especially stakeholder theory; again, confirming the need for this research and its aim to close this gap.

The literature review section focusing on the stakeholder approach establishes that future generations, those of families and those of wider society, have been broadly neglected in prior academic research. Although academics have been debating for decades “who” is a stakeholder and “what” really counts in relation to stakeholders (Boesso & Kumar, 2009; Hall, Millo, & Barman, 2015; Mitchell, Agle, & Wood, 1997; Tashman & Raelin, 2013), there seems to be an unspoken agreement to disagree between those academics promoting the narrow view and those promoting the broad view of stakeholders. In the latter instance, many academics argue that any non-human entity, e.g. organisations or the natural environment, is represented by a human proxy; this view implies that they allow even for unborn³ future (family) generations to qualify as stakeholders. However, future family generations represent a special case in this academic debate as they are non-human entities when still unborn, but over time they become a human entity. Yet, the literature review identifies a lack of academic consideration for future (family) generations; further establishing the need for this research to close the knowledge gap.

Overall, the initial literature review establishes for one, the requirement of more research in the family business context in general; two, the need for more research in relation to future family generations due to their (potential) impact on considerations of LTO, SEW and/or succession and therefore ultimately the future of the business; and three, the use of a stakeholder perspective to move the debate on human versus non-human stakeholders forward. As a consequence, the aim of this research is to investigate the meaning that is given to future family generations in family businesses as stakeholders (in their own right).

³ “Unborn” in this research relates to any entity of future family generation that is not born yet and will not be for at least a few years.

Specifically, this research focuses on the following gaps in the literature as identified as part of the initial literature review:

- To address the gap in the academic literature relating to future family generations in relation to the human versus non-human debate and their stakeholder status: *What* meaning is given to future family generations in family businesses regarding stakeholder status and/or their salience⁴?
- To address the gap in the literature on managers' considerations leading to this meaning: *Why* is this meaning given to future family generations? (The question incorporates considerations for specific context and conditions under which this meaning is constructed.)
- To address the ambiguity in the literature about the entity that is most or more likely to attribute stakeholder status (and/or salience) to future family generations: *Who* is the key entity in family firms to attribute stakeholder status and/or salience? (This question aims to investigate whose, i.e. which entity's, meaning of future family generations is being interpreted in the research.)

This research is not, however, concerned with identifying the variables that influence the stakeholder status (or salience) of future family generations, or the process of constructing the meaning, or consequences on decision-making. Instead, it is about identifying and investigating considerations/associations of family business managers that are used to create the meaning that is given to future family generations - as stakeholders in their own right.

A qualitative research approach via face-to-face in-depth interviews is therefore regarded as the most suitable, as will be established in Chapter 3. Chapter 3 also highlights why Grounded Theory in general is regarded as the best fit to address the identified gaps in the literature, and explains how Kathy Charmaz' Constructivist Grounded Theory (CGT) supports the pursuit of the overall research aim. However, the chapter also explains how pursuing Charmaz' CGT research strategy leads to a "messy" research process, largely caused by the general grounded theory requirement of following emerging categories during the iterative data collection and analysis process. The last section in the chapter

⁴ "Salience" in this research is meant to be equivalent to "importance" and is used in line with work for example by Mitchell et al. (1997) as will be established in the literature review.

provides examples of the conducted research, making it appear more linear than it was, by focusing solely on the key points from the research process.

Chapter 4 sets out the findings of this research, focusing on those that ultimately contribute to the development of the conceptual model. It provides evidence from interviews, the researcher's memos and reflexivity to establish that future family generations are regarded as stakeholders (with or without salience) by some interviewees; the meaning assigned is based on associations linked with five identified categories; and the family business owner/manager has to be regarded as the key entity in family firms in order to attribute stakeholder status/salience (and to act upon it).

The findings chapter highlights why stakeholder attributes (that is, properties of the stakeholder), as used in the *salience model* developed by Mitchell and colleagues (Mitchell et al., 1997), are not regarded as sufficient to explain the variations found in this research. This issue is discussed in more detail in Chapter 5 in relation to the academic literature. It is demonstrated how the research strategy chosen for this research highlighted the need to focus the research efforts away from the stakeholder and its attributes, instead moving towards a focus on the human proxy's considerations made in relation to future family generations as stakeholders.

The discussion in Chapter 5 also goes into detail regarding the five considerations and underlying assumptions of the interviewees identified as key for attributing stakeholder status or not doing so: the temporal dimension, prioritising, transfer of ownership, goal setting, and traditions. However, the discussion of these categories establishes that none of them should be seen in isolation, nor outside the institutional dualism of family and business. Moreover, it is confirmed that these considerations form the basis of the interviewees' considerations/associations, ultimately leading to the development of the conceptual model of this research.

The discussion chapter finishes by setting out this research's contribution to knowledge, specifically focusing on stakeholder theory and the necessary inclusion of future family generations as a stakeholder group in family firms, and the related application of temporal dimensions. It highlights that the identification

of an association of temporal dimensions with future family generations creates an alternative to the commonly-used dichotomy of human versus non-human stakeholder entities. In addition, the chapter highlights that (instrumental) stakeholder theory is expanded by identifying that the proxy for the family firm may also be the proxy for the stakeholder under certain circumstances. Last but not least, the knowledge of researching stakeholder theory is advanced by this study's evidence that the traditional use of stakeholder attributes is not sufficient in the family firm context to identify and classify stakeholders, but that the "inside-out" view is a strategy that should be considered.

The thesis finishes with Chapter 6 which provides the researcher's conclusions; sets out the limitations of the research, makes suggestions for future research, and also discusses its potential implications for education, practice and policy making, before outlining the researcher's reflections on the research process as a whole. Overall, it is hoped that the findings from this research can help to direct academics towards different research avenues, ultimately enabling the further closing of gaps in knowledge about family firms and its stakeholders, and potentially aiding with the development of a theory of the family firm in the long-term.

CHAPTER 2 - LITERATURE REVIEW

The purpose of the literature review chapter is to provide a summary of academic research that was consulted before the primary research data collection and analysis proceeded⁵. Its aim is to “provide collective insights through theoretical synthesis into fields and sub-fields” (Tranfield, Denyer, & Smart, 2003, p.220). As such, the chapter is broadly divided into two research areas: stakeholder theory and the stakeholder approach, and the field of family business research. Each section provides a general background to the research area and the literature regarded as most significant, both in the field and to this research’s specific focus. The question of “who” and “what” really counts in stakeholder theory is given a separate section due to its importance.

Overall, the chapter presents findings from identifying assumptions made in existing literature; to some degree following suggestions by Alvesson and Sandberg (2011) concerning the process of doing so and the different types of assumptions to be considered in the process. The findings from this analysis provide the basis for recognising gaps in the literature, ultimately leading to the development of the research questions to be addressed.

2.1 The Stakeholder Approach

This section focuses on the general background to stakeholder theory and the stakeholder approach. It provides information about the prior research regarded as important in the field before moving on to the key questions asked regarding stakeholders: Who, and what, really counts?

⁵ The initial literature review used a set of keywords in the search process of available electronic databases (most commonly, literature was provided by EbscoHost or Business Source Premier). Keywords used included: stakeholder, stakeholder theory, stakeholder management, stakeholder definition, stakeholder salience, stakeholder attributes, stakeholder relationship, future generation, family firm, family business, family firm/business succession, future family generation, family involvement, familiness. Initially, no publication type or date limitation was applied; later on though the search was focused on publications since the year 2000 and published in high ranking journals only. Specific attention was given to journals such as AMR, AMJ, ASQ, BEQ, ET&P, FBR, JBV, JMS, JOM, and SMJ. In addition to keyword searches, once key academics had been identified, their list of publications was also searched and who had cited them.

2.1.1 Background to Stakeholder Theory and the Stakeholder Approach

Many scholars see R. Edward Freeman as the (modern) father of stakeholder theory (e.g. Gossy, 2008; Laplume, Sonpar, & Litz, 2008). His 1984 book "Strategic management: A stakeholder approach" (reprinted in 2010⁶) has been widely cited by numerous academics (recently including: Crilly & Sloan, 2012; David, O'Brien, Yoshikawa, & Delios, 2010; Frooman, 1999; Lo, 2013). In fact, it has probably had as much impact on initiating the debate on stakeholder theory in modern times as he (and his colleagues') further publications have progressed it since.

Schilling (2000) pointed out that Mary Parker Follett may have started the stakeholder theory debate in around 1918. However, Schilling's publication indicates that Follett may have reflected more on the social and political status quo of her time and played into the hands of the later-developed game theory (T. M. Jones, 1995; Poundstone, 1992) rather than stakeholder theory. For example, Schilling points out that Follett argued that businesses should change their structures, management and purpose to allow for "connectedness", in order ultimately to improve their impact on society. Nevertheless, Follett is also said to have favoured cooperation rather than competition, which plays a role in stakeholder management to some degree as will be highlighted later.

Other early work regarding stakeholders was done by the Stanford Research Institute (SRI) in the 1960s, who appear to have been the first to actually define and use the term "stakeholder" in 1963 (e.g. Fontaine, Haarman, & Schmid, 2006; Gossy, 2008). In 1983, only a year before Freeman's influential work regarding stakeholders, Mintzberg (1983) published "Power in and around organizations". In his book, among other topics, he discusses the issue of the different groups within an organisation and external to it, their relationship to each other, and their potential power and/or influence on the organisation (and on other "groups"). Although Mintzberg did not use the term "stakeholder" other than in a reference in a footnote, it becomes clear in later sections of this chapter that his ideas are

⁶ The original book from 1984 was reprinted in 2010 and is referenced in this thesis as Freeman, 2010.

part of today's stakeholder approach. Yet, for unknown reasons, his book has rarely been cited in general, and even less in the context of stakeholder theory.

In general, the stakeholder perspective argues that all stakeholders should be considered by the firm, and that managers have the responsibility not only to identify (all) stakeholders, but also to manage them in the best interest of the firm (Crilly & Sloan, 2012; Frooman, 1999; Green, 1993; Greenley & Foxall, 1997; Järlström, Saru, & Vanhala, 2016). In many cases, academics have adopted the definition for stakeholders originally provided by Freeman (2010, p.46):

[A stakeholder is] any group or individual who can affect or is affected by the achievement of the organization's objectives.

Mainardes, Alves, and Raposo (2011) identified 66 different uses of the terminology (the definitional issue is addressed in detail in the subsequent section, "Who and What Really Counts").

Similar to the debate about definition of a stakeholder has been the debate on stakeholder theory and its interpretation (Donaldson & Preston, 1995). Some scholars have even questioned whether it is a theory⁷ at all (e.g. Parmar et al., 2010). Nevertheless, the definitions used by academics such as Phillips, Freeman and Wicks (2003, pp.480-481) highlights its general acceptance as a theory: "Stakeholder theory is a theory of organizational management and ethics. [It] is distinct because it addresses morals and values explicitly as a central feature of managing organizations [and is not only about] simply maximizing shareholder wealth [...] Attention to the interests and well-being of those who can assist or hinder the achievement of the organization's objectives is the central admonition of the theory"⁸.

The latter point relating to extending the focus away from solely on shareholders or those with a "stake" in the company has been established by several academics over the years (e.g. Harrison & Wicks, 2013; Phillips et al., 2003).

⁷ This research adopts the stance posited by Ely and colleagues (Ely et al., 1997), who are quoting Mills (1993, p.103): A theory is "an analytical and interpretative framework that helps the researcher make sense of "what is going on" in the social setting being studied".

⁸ It is interesting to note that more recently some academics suggested that the government should be in the centre rather than the firm where government has links with a business (Dahan, Doh, & Raelin, 2014).

Moreover, according to Laplume et al. (2008, p.1153), stakeholder theory "questions the conventional assumption that pursuit of profits is the preeminent management concern" (see also Parmar et al., 2010). It becomes clear from the literature review that academic standpoints vary. However, Freeman and colleagues (Freeman, Harrison, Wicks, Parmar, & de Colle, 2010; Parmar et al., 2010) provided a summary of what they regarded as underlying issues of stakeholder theory, partly picking up where Freeman (2000) had left off (Parmar et al., 2010, p. 405):

1. *The problem of value creation and trade;*
2. *the problem of the ethics of capitalism;*
3. *the problem of managerial mindset.*

Academics such as Parmar et al. (2010) and Berman and colleagues (Berman, Wicks, Kotha, & Jones, 1999) have since added the subject of relationships between the firm and (possible) stakeholders.

On the other hand, some academics have also discussed the application of the "separation thesis" which, as interpreted by Freeman (1994) for the stakeholder context, assumes that ethics and capitalism are two independent items; or, in other words, that business (decisions) and morality are separate (Orij, 2010; Sandberg, 2008). Freeman (1994) rejected the notion of these two items being independent (see also Harris and Freeman, 2008), arguing that the question is not one of "if" a moral should influence a business decision, but "how much". He therefore also rejected "the principle of who and what really counts" (ibid., p.5).

A slightly different view was promoted by Ruf et al. (Ruf, Muralidhar, Brown, Janney, & Paul, 2001), who argued that stakeholder theory assumes the existence of "explicit and implicit contracts" (ibid., p.145). Explicit contracts were seen as those in line with legal requirements, while implicit contracts were viewed as "self-enforcing relational contracts" (ibid., p.145) and thus aligned with Phillips et al.'s (2003) views regarding moral and values, and consequently mostly linked with non-financial aspects. Overall, though, the present literature review identified that academics have been unable to reach agreement. On the contrary,

as the next section highlights with examples of key research/publications, stakeholder theory development has been anything but smooth.

2.1.2 Past Key Research in Stakeholder Theory, Criticism and Stakeholder Management

Over the years, the debate around stakeholder theory and the stakeholder approach has not necessarily been linear, which is unsurprising for a developing theory or field of research. For example, Laplume et al. (2008) identified that during certain periods, researchers focused on various different research themes. Identified themes were:

- definition and salience
- stakeholder actions and responses
- firm actions and responses
- firm performance, and
- theory debates

It should be noted that each of these themes was subdivided into theoretical and empirical research by the authors.

The period between 1984 and 1991 was seen as one of "incubation" by Laplume et al. (2008) due to the field still being emergent rather than being close to maturity. The second period, identified by the same authors, ranged from 1991 to 1998 and was one of "incremental growth". During this period, research and debate was defined by falling into one – or several - of the three areas identified in 1995 by Donaldson and Preston (the descriptive, normative, or instrumental side of the theory). The third period, seen as "mature" by the authors, was between 1999 and 2007⁹. During these years, the authors argued that "firm actions and responses" as well as "theoretical debates" were the most dominant themes. However, the initial literature review for this research on stakeholder theory identified that while there had been 226 related articles up to 2007, there were another 182 between then and the end of 2013 alone, the implication being

⁹ It should be noted that this was most likely due to the article having been published in 2008.

that defining the years up to 2007 as mature may have been premature. The main topics addressed since 2007 include firm performance and Corporate Social Responsibility (CSR), salience, and to a lesser degree, customer and marketing-related publications as identified in the literature review process in the present research.

In addition to the key themes within the stakeholder literature, certain individual publications have attracted more attention than others, as suggested by the number of citations.¹⁰ For example, Freeman's 1984 book is by far the most-cited piece of literature on stakeholder theory (12,729 citations). His book is followed by the following three publications, in order of publication year:

- Clarkson (1995): 3,753
- Donaldson & Preston (1995): 5,423 citations
- Mitchell, Agle, & Wood (1997): 5,107 citations

Although Greenley and Foxall (1997) argued that the two key normative¹¹ models within stakeholder theory and related research had been presented by Miller and Lewis (R. L. Miller & Lewis, 1991) and Mintzberg (1983), these two publications only achieved 78 and 236 citations respectively (a later article by Mintzberg (1984) on the same subject has only attracted marginally more than the book, with 245 citations). While Friedman and Miles (2002) have been cited more frequently (513 citations) than Mintzberg (1983 and 1984), their stakeholder model has not been utilised by many later authors. Another even less-cited article containing a stakeholder model is Rodriguez, Ricart, and Sanchez (2002), which had only 82 citations at the time of the initial literature review for this thesis.

Both Clarkson's and Mitchell and colleagues' articles have most likely been popular because of their topic: they addressed the issue of stakeholder identification and classification, a subject discussed in a subsequent section of this literature review. For the moment, only Donaldson and Preston's article from 1995 receives some attention. The key point these two authors made relate to the dimensions the stakeholder approach has, or can address, i.e. what type of

¹⁰ Based on Google Scholar citations, September 2013.

¹¹ See Table 1 for definition.

research it may fall into, as well as to some extent, who their research findings are of use to. The authors differentiated between three categories: descriptive (empirical), instrumental and normative. Jones, Felps, and Bigley (2007, p.137) brought these three dimensions to the fore by asking: 1) How does the firm relate to its stakeholders? (descriptive), 2) What happens if the firm relates to its stakeholders in certain ways? (instrumental), and 3) How should the firm relate to its stakeholders? (normative).

	Donaldson & Preston (1995, pp.66-67&71)	Mitchell, Agle, & Wood (1997, p.853)	Andriof and Waddock (2002, p.32)
Descriptive/ empirical	Description of what the corporation is.	To explain the conditions under which managers do consider certain classes of entities as stakeholders.	Firms and/or managers actually behave in certain ways.
Instrumental	For “examining the connections [...] between the practice of stakeholder management and the achievement of various corporate performance goals”.	[not addressed]	Certain outcomes are more likely if firms/managers behave in certain ways.
Normative	Theoretical concept (and assumptions) about what should or should not be done.	To explain logically why managers should consider certain classes of entities as stakeholders.	Firms/managers should behave in certain ways.

Table 1 Overview of key stakeholder theory dimensions

Numerous later studies have referred back to these perspectives over the years (as the number of citations implies). Several authors, such as Mitchell et al. (1997), and Andriof and Waddock (2002) (see Table 1 above), have agreed with their views (see also, e.g., Egels-Zanden & Sandberg, 2010; Jawahar & McLaughlin, 2001; Jensen, 2002). However, others do not fully agree (Freeman, 1999; T. M. Jones & Wicks, 1999).

One key criticism regarding the instrumental side relating to how certain actions towards the stakeholder impacts on outcomes came from Meznar et al. (1994)

(see also Laplume et al., 2008). These authors used an example from the South African context to show that "doing the right" thing is not always financially beneficial for a corporation¹². Laplume et al. (2008) pointed out that this initial contradiction was overcome soon afterwards by applying Clarkson's (1995) view regarding the importance of primary stakeholders, rather than secondary ones, e.g. society.

In contrast, Hendry (2001a, 2001b) argued that the normative aspect of how managers should behave towards stakeholders was not sufficient to make a valid case against the shareholder perspective, nor had it provided sufficient detail for "engag[ing] with the practical legal and political debate" (Hendry, 2001b, p.173). Another partial criticism came from Freeman (1994, p.416), who proposed the addition of another dimension, the "metaphorical", to the dimensions of normative, descriptive, and instrumental in stakeholder theory. This was deemed necessary to fill in blanks in the "normative core" under different circumstances or, as Freeman argued, to fill in blanks in a specific stakeholder theory "story" (ibid.).

In addition to Donaldson and Preston's (1995) view, other authors have also attempted to develop stakeholder theory further. For example, Jones and Wicks (T. M. Jones & Wicks, 1999) proposed a (moral) "convergent" stakeholder theory in 1999 – a perspective that had already been partially addressed by Jones in 1995 (T. M. Jones, 1995). In their view, this involved "both ethical and instrumental argumentation" (ibid., p.218), i.e. the linking of moral aspects with practical ones; it was regarded as transformational for stakeholder theory by the authors¹³. However, Freeman (1999) responded to Jones and Wicks' suggestion with criticism (as did, e.g., Gioia, 1999a, 1999b), arguing that Jones and Wicks' assumptions were misleading and that instead it was necessary to go the other way: to create "more narratives that are divergent – that show us different but useful ways to understand organizations in stakeholder terms" (ibid., p.233). This

¹² The context of the research was South Africa and the Apartheid regime, and multi-national companies which had chosen to leave the country for ethical/moral reasons, but soon afterwards were financially punished by their shareholders for that decision.

¹³ Hendry (Hendry, 2001a, 2001b) had similar thoughts, but argued for the requirement of modifying the normative dimension.

appears to be in line with his proposition to add the metaphorical dimension to Donaldson and Preston's original three dimensions.

However, Jones and Wicks (T. M. Jones & Wicks, 1999) and Donaldson and Preston (1995) have not been the only authors criticised. For example, Phillips et al. (2003, p.482) accused some colleagues of falsely assuming that "stakeholder theory is primarily concerned with distribution of financial outputs" (the authors based their views on work by Marcoux, 2000) and that "all stakeholders must be treated equally" (the authors based their views on work by Gioia, 1999b; Marcoux, 2000; Sternberg, 2000).

Other, more general criticisms of stakeholder theory were summarised by Mainardes et al. (2011, the authors based their views on work by Lepineux, 2005), who concluded that "the definition of its object of study remains controversial[,] the stakeholder spectrum and its classification is variable[,] the balancing of their respective interests causes problems[,] there is a lack of solid normative foundations[,] the normative and empirical flows are very commonly separated[, and] the role and the positioning of civil society as a stakeholder is neither clear nor precise" (ibid., p.241). In addition, stakeholder theory has been criticised in general for lacking an understanding of the range of stakeholder behaviours (Perrault, 2015).

Fassin (2008, p.115 quoting an anonymous reviewer) regarded the key issue of stakeholder theory as lying in the "difficulties in identifying stakeholders and in defining the boundaries of the firm [that] are a function of the intrinsic flexibility of the theory itself". He further noted (the authors based their views on work by Waxenberger and Spence, 2003) that there "is even a lack of clarity and consistency in the definition of a stakeholder, and indeed of a stake" (see also Fassin, 2007). In addition, he promoted the modification of the graphical representation of the stakeholder model in order to, for example, better express the relationship between different entities. Relationships are a key concern in stakeholder theory (see e.g. T. M. Jones, 1995) and form the basis for theories of stakeholder management.

Donaldson and Preston (1995) viewed the managerial side of stakeholder theory as being important because stakeholder theory "does not simply describe existing

situations or predict cause - effect relationships, it also recommends attitudes, structures, and practices that, taken together, constitute stakeholder management. [...] Stakeholder theory does not necessarily presume that managers are the only rightful locus of corporate control and governance. [...] And [t]he theory does not imply that all stakeholders (however they may be identified) should be equally involved in all processes and decisions." (ibid., p.67). Jones (T. M. Jones, 1995, p.421), building on work by Etzioni (2010) took the latter idea slightly further, arguing that the often-used "neoclassical economic theory" underlying stakeholder (theory and) management should be replaced by "socioeconomics". He regarded it as necessary for stakeholder management to take account of the varied behaviour of managers that may be "rational [...] and totally unconcerned with the well-being of others" or may not (ibid.). Moreover, other academics have argued that since every individual is part of several stakeholder groups, this needs to be taken into consideration in managing stakeholders and relationships (e.g. Rowley, 1997; Rowley & Moldoveanu, 2003).

On a more general level, stakeholder theory argues that stakeholders and their needs require management (e.g. Laplume et al., 2008), but also engaging with stakeholders (Kunseler, Tuinstra, Vasileiadou, & Petersen, 2015; Reed & Curzon, 2015). The purpose of this is to enable firms to "recognize, analyze and examine the characteristics of individuals or groups influencing or being influenced by organizational behaviour" (Mainardes et al., 2011, p.230). The managerial responsibility is argued to lie with the managers of a firm according to numerous prior authors (Crilly & Sloan, 2012; Frooman, 1999; Green, 1993; Greenley & Foxall, 1997; Järnlström et al., 2016). However, they have also recognised that stakeholders have diverse needs, and that these are not always necessarily compatible (e.g. Donaldson & Preston, 1995).

Overall, stakeholder management is conceptualised as a "stakeholder approach to strategic management" (Freeman & McVea, 2001, p.10). Furthermore, it is generally argued that effective stakeholder management leads to the creation of a competitive advantage for a firm, and ultimately to added value (Tantalo & Priem, 2014) and improved financial performance (Berrone, Surroca, & Tribó, 2007; Jensen, 2001; Ruf et al., 2001; Welcomer, Cochran, Rands, & Haggerty, 2003). However, the literature does not always confirm this view (e.g. Margolis

& Walsh, 2003; Preston & O'Bannon, 1997; Ullmann, 1985). Depending on the research question and research methodology applied (which is often quantitative), research findings can vary from positive to negative, or a mix of both, or in some cases show a U-shaped link.

Methodological inconsistencies (Griffin & Mahon, 1997) and issues of validity of measures and proxies used in studies (Carroll, 2000) have been identified and are seen to have influenced the outcome of empirical studies, which may in turn explain the range of findings. Furthermore, the fact that Roman, Hayibor, and Agle (1999) analysed the same data that Griffin and Mahon (1997) had used but came to different conclusions indicates that academic subjectivity plays a vital role in the research evaluation process. Roman and colleagues' (Roman et al., 1999) reconstruction of Griffin and Mahon's tables resulted in the finding that the relationship between corporate social performance and corporate financial performance is "(a) substantially different from that shown in the Griffin and Mahon table and (b) more consistent with the latest research on the topic" (ibid., p.109).

Despite a lack of consensus on what constitutes best practice in stakeholder management, it is accepted that neglecting stakeholders would be a mistake (see, e.g., Andriof & Waddock, 2002). Moreover, as Neville, Bell, and Whitwell (2011, p.369) put it, "[s]uccessful stakeholder management relies upon the accurate identification of stakeholders and the assessment of stakeholder salience to correctly prioritize competing stakeholder claims". Consequently, it is essential for a company to deal with the issue of identification (and classification) of stakeholders. The subsequent sections address the issue in more detail.

2.2 **"Who and What Really Counts"**

The term "stakeholder" was introduced in the early 1960s and has been used ever since. Although Freeman (2010) acknowledges a debate about who first coined the phrase, he concludes that the SRI (Stanford Research Institute) applied it in an internal memorandum in 1963. According to Freeman, the SRI defined stakeholders as "those groups without whose support the organization would cease to exist" (ibid., p.31; see also Freeman & Reed, 1983, p.89).

Freeman (2010, p.46) himself originally defined a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization's objectives”.

However, as Freeman pointed out in 1984, and as many academics have since also reflected, the definitions offered for “a stakeholder” are quite vague (see also Fassin, 2008; Freeman & Reed, 1983), and thus he asked the question of “who and what really counts” which has been debated since (Boesso & Kumar, 2009; Hall et al., 2015; Harrison & Freeman, 1999; Laine, 2010; Mitchell et al., 1997; Tashman & Raelin, 2013). It is for this reason that the following sections of the present study address the questions of “who” and “what” in relation to a firm’s stakeholders. The “who” in this research identifies the types of entity included or excluded as a stakeholder. The “what” is divided into two areas; one relating to the attributes that were/are linked with stakeholder status; and the other regarding the types of relationship that academics consider to exist between a stakeholder and the firm. Subsequent sections address how “future generations” may fit within the stakeholder salience model developed by Mitchell et al. (1997) and how the subject may be taken forward.

2.2.1 “Who” – Entities Considered as Stakeholders

In 1984, Freeman (2010) discussed who should be considered a stakeholder. In his view, a stakeholder map showing each stakeholder (group) should look something like Figure 1 (p.19), which is an illustration of a large organisation. Freeman pointed out that each category also has sub-categories to be considered. Moreover, Freeman’s definition of a stakeholder moved away from the idea that stakeholders are those parties needed for the survival of the firm. Instead, he suggested the “can affect/is affected” notion that does not necessarily require a firm to have all its stakeholders simultaneously and/or to consider them to the same degree. He argued that stakeholders as well as the degree of importance (of their stakes) to the firm is likely to change over time. Freeman also pointed out that the managers of a firm may be faced with competing stakeholder interests.

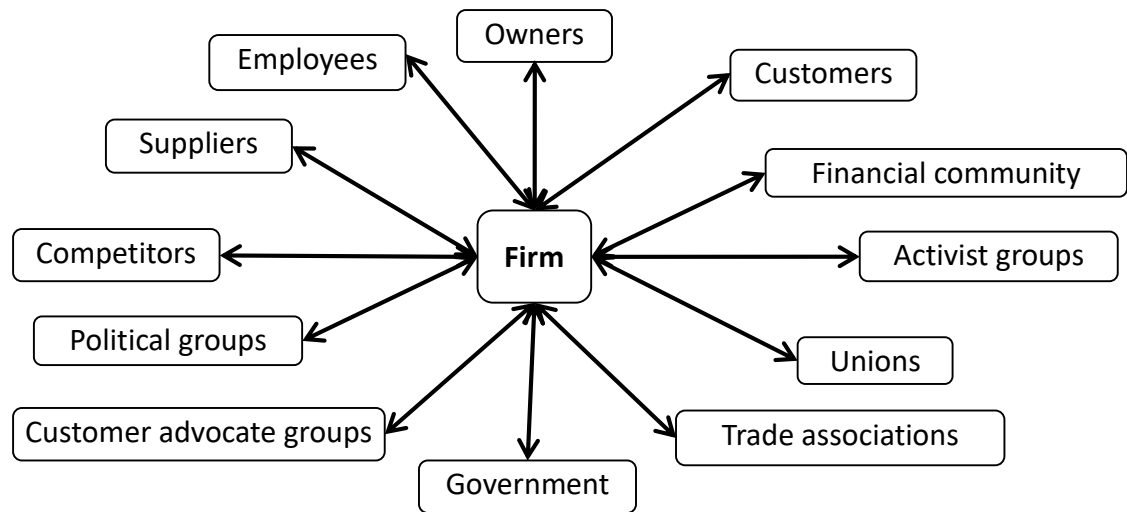


Figure 1 “Stakeholder map of a very large organization”
(adapted from Freeman, 2010, p.55)

In general, Freeman (2010) argued that a stakeholder can either be a group or an individual. Mitchell et al. (1997) also addressed the question of who is a stakeholder, stating that “[p]ersons, groups, neighborhoods, organizations, institutions, societies, and even the natural environment are generally thought to qualify as actual or potential stakeholders”, thus being more inclusive (ibid., p.855). They also acknowledged that not all authors agreed with that view, as their literature review highlighted the diversity of stakeholder entities considered by academics.

Mitchell and colleagues’ article provides a chronological overview of the different ways in which academics had defined stakeholders up to their work in 1997. Unfortunately, their article (including the table) does not provide information on what entity the definition had referred to. Although Mitchell and colleagues mention different types of categories that had been used previously by other scholars, such as owner versus non-owner, they do not actually list “who” it was, only “what” it was referring to. Based on the list of articles provided in Mitchell et al. (1997, p.858), Table 2 (p.20) has been developed to highlight this point.

Entity of stakeholder	Reference
Group only “those groups without whose support the organization would cease to exist”	Stanford memo, 1963 (as cited in Freeman, 2010)
Individual only	n/a
Group or individual “A stakeholder is any individual or group for whose level of well-being the firm's decisions to act, or decisions to not act, are to a significant extent causally responsible.” (Langtry, 1994, p.432)	Freeman & Reed, 1983 Freeman, 2010 Carroll, 1993 (as per quote in Starik, 1995, p.208) Langtry, 1994 Clarkson, 1995 Donaldson & Preston, 1995
People/persons “stakeholders, they are people who effect or are affected by the corporation, but they are not integral to its basic identity” (p.479)	Wicks, Gilbert, & Freeman, 1994
Other human entity “The term stakeholders refers to groups of constituents who have a legitimate claim on the firm” (Hill & Jones, 1992, p.133)	Cornell & Shapiro, 1987 Savage, Nix, Whitehead, & Blair, 1991 - refer to primary and secondary categorisation Hill & Jones, 1992 Freeman, 1994
Unknown, but interpreted via definition given in Mitchell et al. (1997), i.e. an interpretation of the language/ words used	Rhenman, 1964 – person(s) Ahlstedt & Jahnukainen, 1971 – person(s) Freeman & Gilbert 1987 – assumed to be group or individual Evan & Freeman 1988 – assumed to be group or individual Bowie, 1988 – presumed to be person(s) Alkhafaji, 1989 - groups Freeman & Evan, 1990 – person(s) Starik, 1994 – person(s) (but makes a case for the natural environment in 1995) Clarkson, 1994 – presumed to be person(s) Näsi, 1995 – person(s)
Unknown; definition given in Mitchell et al. (1997) does not allow for an interpretation in any way	Carroll, 1989 (later article refers to group or individual) Thompson, Wartick, & Smith, 1991 Brenner, 1993 (potentially person(s) as reference is made to actions and transactions) Brenner, 1995

Table 2 Who is a stakeholder?
(Based on Mitchell et al., 1997, p.858, Table 1)

Surprisingly, even though the literature review by Mitchell et al. (1997) appears rather outdated today, it and/or its references have been cited in more recent years (e.g. Andriof, Waddock, Husted, & Rahman, 2002; Crilly & Sloan, 2012; Harrison & Wicks, 2013; T. M. Jones et al., 2007; Laplume et al., 2008). A similar situation appears to have occurred for Freeman's original definition of

stakeholders, as has been noted over the years (e.g. Andriof et al., 2002; Doh & Guay, 2006; Fassin, 2008; Strand & Freeman, 2013).

Overall, one key theme can be identified from the analysis: that most if not all authors referred to stakeholders as human entities. No matter whether the definition mentioned a group, or individual, or person(s), or similar; in all cases, the category is “a human” or consists of a group (of humans). This finding is in line with other academics (e.g. Laplume et al., 2008; Starik, 1995). Some authors have attributed the sole use of human entities to the utilisation of the “narrow view” of defining stakeholders (e.g. Driscoll & Starik, 2004; Phillips & Reichart, 2000; Starik, 1995).

In contrast to the narrow (restrictive) view, the broad (expansive) view of stakeholders has been noted to include “nonhuman entities such as tress [sic.] (Starik, 1995) and deities (Schwartz, 2006)” (Laplume et al. 2008, p.1161), and the natural environment in general (e.g. Haigh & Griffiths, 2009). However, the broad view has been criticised for being too “complex [...] and virtual[ly] all-inclusive” (Laine, 2011, p.74). On the other hand, the narrow view has received criticism for being too restrictive when, for example, reducing stakeholders to those entities who “have (largely) economic transaction-based relationships with organisations” (Haigh & Griffiths, 2009, p.3) or when, according to Driscoll and Starik (2004, p.56), academics differentiate stakeholders by dimensions such as “managerial perceptions of stakeholder power, resource dependence, or risk”.

Independent of the narrow-broad view debate, some academics have questioned whether or not organisations, institutions, and societies are stakeholders, as pointed out by Haigh and Griffiths (2009). Freeman (2010) certainly included organisations in his original stakeholder definition and theory, and Mitchell et al. (1997) went further by specifically including institutions and societies. While some academics have argued that organisations etc. are non-human entities (e.g. Phillips & Reichart, 2000) and therefore refused to assign stakeholder status to them (as pointed out in Fassin, 2008), other scholars have held different views. Haigh and Griffiths (2009, p.4 quoting Stone, 1974), for example, noted that “customers, suppliers and competitors are already stakeholders”, despite their being non-human entities. Following a similar line of thinking, it may also be

argued that organisations, institutions and societies should be granted stakeholder status as they are not human per se, but are made up of humans. These “groups of humans” were certainly included in definitions by academics who adopted Freeman’s original version or variations thereof (Freeman, 1994, 2010; Freeman & Reed, 1983; Wicks et al., 1994). Moreover, as Fassin (2007) has pointed out, it is not the organisation itself that is of relevance, but rather its managers and other employees who are interacting between firms on behalf of firms; in other words, humans are the proxies for (non-human) organisations or other non-human entities.

Wheeler and Sillanpaa's (1998) definition of a stakeholder as “any individual or entity who can be affected by an organisation or who may, in turn, bring influence to bear” (ibid., p.205) led them to approach the debate on human versus non-human in a different way. They suggested that a firm’s stakeholders should be divided into four groups: primary social stakeholders (e.g. employees, customers), secondary social stakeholders (e.g. competitors, trade bodies), secondary non-social stakeholders (e.g. environmental pressure groups), and primary non-social stakeholders including future generations. Their reasoning was that stakeholders can, and should, be categorised into two overarching types: those entities that are human and thus allow a direct relationship of some form (social stakeholders), and those that are non-human and therefore don’t allow that relationship (non-social stakeholders)¹⁴. Prior studies have therefore allowed for both human and non-human entities to become stakeholders, but with different consequences. While Wheeler and Sillanpaa’s approach to stakeholders is all-inclusive, others have found more controversy concerning non-human entities – as highlighted below.

Fassin (2008, p.120) pointed out that despite some common ground on various non-human entities such as organisations, institutions etc. receiving stakeholder status, other “some more abstract groups such as the environment [...], and future generations” have not necessarily received this status (yet). One of the early proponents of accepting the natural environment as a stakeholder was

¹⁴ The subject of stakeholder relationships is addressed in the subsequent section (Section 2.2.3).

Starik (1995), who identified three main reasons for others not doing so, which he addressed:

1. The business environment is defined only via “economic, political, sociocultural, and technological” factors and thus does not include the natural environment (ibid., p.208).
2. “[T]he stakeholder concept has often been discussed almost exclusively in traditional political-economic terms” (ibid., p.209) thus excluding any non-human entity such as the natural environment.
3. The natural environment already has human proxies that are stakeholders, for instance environmental protection agencies, governments, and other environmental groups.

To that list, Norton (2007) added that the natural environment is perceived by many as having no direct monetary value attached. On the other hand, Starik argued for the (living and non-living) natural environment (and nature) to be granted stakeholder status because it provides the necessary resources to companies (e.g. in forestry or fishing, but also in oil extraction and similar), and thus does have an economic value to industry. Furthermore, Starik (1995, p.211) has argued that the stakeholder management concept in general was adding dimensions: “[T]he moral legitimacy aspect of stakeholder management, in which those human individuals and organizations to whom an organization is morally obligated are included as stakeholders. If this *ethical* aspect of stakeholder management is credible, the development of environmental ethics implies that the natural environment also can be considered as one or more stakeholders of organizations”. Starik also made the case that stakeholder status should be granted due to the environment’s “*socio-emotional* component”, i.e. its aesthetics, such as the perceived beauty of trees, or our appreciation of “a star-filled clear evening” (ibid., p.211); and illustrated that the natural environment possesses “*physical* power” via the example of natural disasters, thus adapting Mitchell and colleagues’ approach (Mitchell et al., 1997).

While Driscoll and Starik (2004) continued promoting the natural environment as a stakeholder, Phillips and Reichart (2000) saw things differently. For one thing, Phillips and Reichart (2000) appear to have regarded only human entities as

eligible for stakeholder status. However, their key argument against stakeholder status was that if one entity within a firm's (business) environment gains stakeholder status then everything else must also be granted it. This line of argument is consistent with more recent views by Laine (2010), who despite approaching the debate from a more philosophical perspective and differentiating between nature and the natural environment, observed: "If the human is a natural creature, is not everything humans do also natural?" (ibid., p.76).

Overall, the debate regarding whether or not the natural environment (and nature) should be regarded as a stakeholder is ongoing. The emerging key issue surrounding this debate, as identified by Haigh and Griffiths (2009, p.56), seems to be the "natural environment's lack of human attributes". However, as has been highlighted, the question of whether human proxies are sufficient or not also holds importance. As a consequence of this continuing debate, the research is divided into three groups of scholars as far as the stakeholder status of the natural environment is concerned:

1. Those scholars who include the natural environment as a stakeholder (e.g. Driscoll & Starik, 2004; Fassin, 2008; Haigh & Griffiths, 2009; Laplume et al., 2008; Norton, 2007; Starik, 1995; Wheeler & Sillanpaa, 1998);
2. Those scholars who reject this idea (often due to the scholars' use of the narrow view of stakeholder definition, and who thus refer to the natural environment's lack of human attributes) (e.g. Laine, 2010; Orts & Strudler, 2002; Phillips & Reichart, 2000);
3. Those scholars who don't accept the natural environment as a stakeholder per se, but agree with its inclusion on a moral basis within stakeholder theory based on a fairness principle (e.g. Bosse, Phillips, & Harrison, 2008; Phillips & Reichart, 2000).

The debate on the inclusion of the natural environment in stakeholder theory has wider consequences relating not only to one specific case of whether (and why) new entities should be added to the theory, but also potentially to setting the scene for future additions of entities as stakeholders. In the present research, this is pertinent with regard to the consideration of future family generations,

especially those not yet born. Another entity for whom the debate has already started is “God”.

Laplume et al. (2008) identified that stakeholder status for God had been rejected by some authors. Schwartz (2006) asked the question: God as a managerial stakeholder? He provided two arguments against God as a stakeholder, mostly based on arguments raised by Starik (1995) and Phillips and Reichart (2000) in the context of the natural environment: that God is not human, and that God/religion should not be mixed with business. However, Schwartz (2006) promoted the idea of God as a stakeholder on the grounds that it is managers who identify stakeholders, so potentially they may see God as relevant, since the “stake can be unidirectional or bidirectional” (Mitchell et al., 1997, p.856); and because managers don’t necessarily have to have an actual relationship with stakeholders (as, for example, Wheeler and Sillanpaa (1998) had promoted). He further argued that the acceptance of God as a stakeholder may lead to “(1) greater meaning for those involved in business; (2) more ‘socially responsible’ decisions; (3) enhanced ethical decision-making; and (4) a healthier bottom line for the organization” (Schwartz, 2006, p.300). Overall, Schwartz adopted the perspective that God is part of a subjective reality, agreeing with Mitchell et al. (1997, p.868) that “[s]takeholder attributes are socially constructed, not objective reality”. Consequently, Schwartz adopted the view that God should be regarded as a stakeholder if and when managers feel the need to do so based on their beliefs and religion. Interestingly, although Fassin (2008) included religious groups as stakeholders in his classification, he did not mention God.

In this research the most crucial other entity identified during the literature review is that of future generations, a group surrounded by some controversy. In the present, future generations must be categorised as non-human entity, as they consist of unborn humans¹⁵. However, in the future, this same, presently non-human entity becomes a human entity, which is why future generations fall between recent academic debates, by incorporating both human and non-human entities in one potential group of stakeholders. Although Mitchell and colleagues (1997) included societies as stakeholders, they did not specifically mention future

¹⁵ “Unborn” in this research relates to entities that are not yet born and will not be for at least several years; may be as far as hundreds of years from now.

generations (of society). Clarkson (1995), in contrast, regarded neither future generations¹⁶ nor society as stakeholders; on the contrary, he specifically excluded society on the basis that society is represented by other stakeholders. However, in 2011, Mitchell and colleagues (Mitchell, Agle, Chrisman, & Spence, 2011) did include ancestors and specifically mentioned future generations (of families) as stakeholders.

On the other hand, it appears that although several academics have mentioned future generations in the context of stakeholder related issues, they have done so in reference to future generations of society and in relation to preserving the environment or in terms of social responsibility in general (e.g. Aguilera, Rupp, Williams, & Ganapathi, 2007; Friedman & Miles, 2002; Jensen, 2002; Phillips & Reichart, 2000; Wicks et al., 1994). Only a few academics have noted that future generations are or should be regarded as stakeholders (e.g. Driscoll & Starik, 2004; Fassin, 2008; Jeurissen & Keijzers, 2004; Laplume et al., 2008; Mitchell et al., 2011; Neville et al., 2011; Wheeler & Sillanpaa, 1998). None of these scholars gave any explanation as to why this should be the case, with the exception of Jeurissen and Keijzers (2004), who used moral obligations and responsibilities as their key criteria. Overall, then, only very few academics have actually included future generations in their considerations in terms of stakeholder classification (e.g. Fassin, 2008; Neville et al., 2011; Wheeler & Sillanpaa, 1998); this omission is addressed in the following paragraphs.

Fassin (2008) approached the classification and inclusion of future generations in a different way, arguing that in order for the stakeholder model to return to its origins as a managerial tool in strategy management it was necessary to differentiate between stakeholders, stakewatchers (pressure groups), and stakekeepers (regulators). He regarded these three categories as being in a triangular relationship, with each stakeholder having at least one associated stakewatcher, who in turn has at least one stakekeeper.¹⁷ In his view, the stakeholder is represented by the stakewatcher and protected by the

¹⁶ Clarkson did not specifically mention future generations, but they can be assumed to be included in his interpretation of society.

¹⁷ Fassin does note though (Note 13) that this is not necessarily always the case in all organisations, and is due to the heterogeneity of organisations.

stakekeeper. However, a problem arises as far as future generations are concerned: while future generations were classified as a stakeholder, they do not have an associated stakeholder or stakekeeper. Thus, Fassin's concept or categorisation becomes unclear for future generations. Another group of scholars included future generations by approaching things in another very different way. Neville, Bell, and Whitwell (2011) argued, based on a reviewer's comment, that stakeholders such as future generations may interact with a firm in the future and thus should be given the attribute of a "potential" stakeholder. They observed that potential stakeholders need to be considered by the managers of an organisation before these stakeholders actually make a claim.

Overall, this literature review on the subject of "who", i.e. what entity, is being considered and regarded as a stakeholder has suggested that academics agree on human entities as stakeholders, in many cases because the managers of a firm can have direct transactions and/or relationships with them. It further appears that the majority of academics agree on entities such as organisations and institutions, or suppliers and customers as stakeholders; each of whom consist of humans. However, academic consensus is still absent with regard to non-human entities such as the natural environment or presently non-human entities such as future generations. The debate surrounding the natural environment seems to have been determined by the question of whether or not the individual academic believes that human proxies are sufficient to represent the natural environment.

The literature review in this section has outlined the assumptions made by different authors, specifically focusing on the human versus non-human debate; somewhat in line with the principles promoted by Alvesson and Sandberg (2011). In doing so, it has clearly identified the dichotomy of opinion on the subject. However, it is this dichotomy that the entity of future generations does not fit with, as over time, its status changes from non-human to human. The inclusion of future generations as a stakeholder consequently potentially challenges these existing assumptions.

However, the examination of the literature reviewed in this section also reveals that the debate on whether or not to regard future generations as a stakeholder

to a large extent appears to be concerned with the attributes a stakeholder has, or should have. The next section therefore addresses the topic of stakeholder attributes, and specifically, how academics have defined a “stake”. Specific attention is given to future generations as an entity that is currently non-human, but which will become human in the future, and which is often discussed in the context of moral obligation or ethical responsibility.

2.2.2 “What” – Attributes to Qualify as a Stakeholder

Mitchell et al. (1997, p.855) argued in 1997 that “[t]here is not much disagreement on what kind of entity can be a stakeholder”. As the previous section identified, however, that is not necessarily the case. While the majority of academics agree on granting stakeholder status to organisations, suppliers, customers, trade associations, and similar, it has been suggested that the natural environment or future generations, to take two examples, are still the focus of ongoing debate. Based on the question of “who”, i.e. what type of entity, is to be regarded as a stakeholder, the key debate is around whether or not to allow non-human entities stakeholder status, and/or whether it is sufficient to have human proxies instead.

Another way of identifying whether or not stakeholder status should be granted, and/or classifying stakeholders in the first place, is to do so via their attributes, that is properties. In the words of Mitchell et al. (1997, p.856) this is “the view taken about the existence and nature of the stake [...], because it is upon the basis of ‘stake’ that ‘what counts’ is ultimately decided”. This group of authors concluded in 1997 that a “stake” had to be differentiated into a claim and the ability to influence, or lack thereof, and argued that a claim may be legitimate or not, but may also be “legal, moral, or presumed” in nature (ibid., p.859). Furthermore, the scholars associated influence with power, and noted that a stakeholder may or may not have power, independent of whether or not this power/influence was legitimate.

Fassin (2008) more recently analysed how other studies had defined a stake, and came to a similar conclusion as Mitchell et al., that the debate mainly centred around the issue of claim and/or influence. However, when examining some of the earlier definitions of a stakeholder, it becomes apparent that this is potentially

a simplification of the issue as illustrated in Table 3 (p.30).¹⁸ Overall, the table provides an indication of how different authors have viewed stakeholders and associated attributes, especially in the 1990s. The key attributes of stakeholders were in most cases related to support, dependence, influence, impact, interests, and/or, of course, Freeman's original reference to can affect/ is affected.

Furthermore, definitions have often considered stakes in, and claims on, the firm, and the responsibilities of stakeholders or the firm; depending on the scholar, these have included legitimate, legal and/or moral stakes, claims and responsibilities. In some cases, stakes and claims were used as part of the same definition, thus implying a different interpretation of these two expressions (e.g. Evan & Freeman, 1988 and Starik, 1994). Whilst interests and personal goals were generally seen as (potentially) important on the side of the stakeholder, it was the organisational actions/activities, achievement of objectives or existence/survival on the part of the firm that seemed most important at the time of Mitchell et al.'s work.

Prior to Mitchell et al.'s publication in 1997 on the subject of stakeholder identification (and salience), Savage et al. (1991) and Clarkson (1995) had published work that diverges from Mitchell and colleagues' view regarding "stake" or stakeholder attributes. Instead of seeing claims and influence as the key attributes of stakeholders, Savage et al. (1991) argued that "interest in the actions of an organization" and "the ability to influence" were the key attributes of stakeholders (*ibid.*, p.61); and instead of associating influence with power, as Mitchell et al. had done, they argued that influence had to be analysed in terms of the potential threat to, and potential cooperation with, the firm¹⁹.

¹⁸ It is worth noting that not many of the academics discussed the subject of "stake" per se, but instead debated the question of who/what with regard to a stakeholder, and associated attributes.

¹⁹ Based on these assumptions, the authors developed a stakeholder typology and proposed ways of managing these different stakeholders.

Quotes (verbatim from Mitchell et al.)	Reference
Without whose support the organization would cease to exist	Stanford memo, 1963 (as cited in Freeman, 2010, p.33) Bowie, 1988
Are depending on the firm in order to achieve their personal goals	Rhenman, 1964
On whom the firm is depending for its existence/survival	Rhenman, 1964 Freeman & Reed, 1983, p.91 Ahlstedt & Jahnukainen, 1971
Driven by their own interests and goals (and thus depending on firm)	Ahlstedt & Jahnukainen, 1971
Can affect the achievement of an organization's objectives	Freeman & Reed, 1983, p.91 Freeman, 2010, p.33 Freeman & Gilbert 1987, p.397 Carroll, 1993, p.60
Is affected by the achievement of an organization's objectives	Freeman & Reed, 1983, p.91 Freeman, 2010, p.33 Freeman & Gilbert 1987, p.397 Carroll, 1993, p.60
Claimants who have contract	Cornell & Shapiro, 1987, p.5 Freeman & Evan, 1990
Have a stake in or claim on the firm	Evan & Freeman 1988, pp.75-76 Starik, 1994, p.90
Benefit from or are harmed by, and whose rights are violated or respected by, corporate actions	Evan & Freeman 1988, p.79
To whom the corporation is responsible	Alkhafaji, 1989
Have one or more of these kinds of stakes: interest, right (legal or moral), ownership or legal title to company's assets or property	Carroll, 1989, p.57 Carroll, 1993, p.60
In relationship with an organization	Thompson, Wartick, & Smith, 1991
Have an interest in the actions of an organization and the ability to influence it	Savage, Nix, Whitehead, & Blair, 1991, p.61
Legitimate claim on the firm (established through the existence of an exchange relationship who supply the firm with critical resources and in exchange each expects its interests to be satisfied)	Hill & Jones, 1992, p.133
Having some legitimate, non-trivial relationship with an organization such as exchange transactions, action impacts, and moral responsibilities	Brenner, 1993
Human process of joint value creation	Freeman, 1994, p.415
Interact with and give meaning and definition to the corporation	Wicks, Gilbert, & Freeman, 1994, p.483
Firm is significantly responsible for their wellbeing	Langtry, 1994, p.43
They hold a moral or legal claim on the firm	Langtry, 1994, p.433
Are or might be influenced/impacted by the organization	Starik, 1994, p.90 Brenner, 1995
Are or potentially are influencers of/impacting on the organization	Starik, 1994, p.90 Brenner, 1995
Bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in the firm or are placed at risk as a result of a firm's activities	Clarkson, 1994, p.5
Have, or claim, ownership, rights, or interests in a corporation and its activities (past, present or future); legal or moral	Clarkson, 1995, p.106
Interact with the firm and thus make its operation possible	Näsi, 1995, p.19
Legitimate interests in procedural and/or substantive aspects of corporate activity	Donaldson & Preston, 1995, p.85

Table 3 Stakeholder attributes used in the past
 Quotes (verbatim) are based on Mitchell et al. (1997, p.858, Table 1)

In contrast, Clarkson (1995) approached the topic of stakeholder attributes from a different angle altogether. He argued that it was necessary to divide stakeholders into two groups, primary and secondary, based on their attributes. Whereas primary stakeholders are those “without whose continuing participation the corporation cannot survive as a going concern” (ibid., p.106), secondary stakeholders are seen as “those who influence or affect, or are influenced or affected by, the corporation, but [who...] are not engaged in transactions with the corporation and are not essential for its survival” (ibid., p.107). Clarkson thus narrowed the debate down to the issue of whether or not a stakeholder was (perceived as being) able to impact on the survival of a firm via direct engagement.

As mentioned earlier, Mitchell et al. (1997) regarded claims and influence (i.e. power) as important attributes of stakeholders. Unlike Clarkson (1995) though, Mitchell et al. (1997) did not differentiate between legal and moral claims, instead arguing that they are either legitimate, or not. However, based on other academics’ work and their own research, Mitchell et al. (1997) advanced their thinking further by developing the stakeholder salience model, which became widely accepted and cited. The basis of the model consists of the scholars’ assessment of whether or not stakeholders have three attributes: power, legitimacy, and urgency. Their developed classification system was therefore divided into the following (ibid., p.854):

- (1) the stakeholder's power to influence the firm,*
- (2) the legitimacy of the stakeholder's relationship with the firm, and*
- (3) the urgency of the stakeholder's claim on the firm.*

The group of academics around Mitchell regarded power as a “relationship among social actors in which one social actor, A, can get another social actor, B, to do something that B would not have otherwise done”; while legitimacy was seen as the “generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, definitions”; and urgency as the “degree to which stakeholder claims call for immediate attention” (ibid., p.869). According to Mainardes et al. (2011, p.236, the authors based their views on work by Friedman and Miles, 2006) power was to be interpreted in the model in relation to negotiations, legitimacy as the “relationships with organizations”, and urgency as

"meeting the needs present". Overall, though, Mitchell et al. defined stakeholder salience as "the degree to which managers give priority to competing stakeholder claims" (ibid., p.869). Interestingly, more recently, some academics argued that salience is directly related to stakeholder attributes; that is, a change in the latter would result in a change in the former (Khurram & Charreire Petit, 2015). On the other hand, other academic work suggests that stakeholder attributes are not as critical as the manager and their views (Ali, 2015).

Whereas Clarkson's (1995) and Mitchell and colleagues' (1997) publications have received much academic attention over the years, other authors examining stakeholder attributes or classification, especially in recent years, have not. Phillips and Reichart (2000), for example, noted that moral obligations alone are not sufficient to provide an argument for stakeholder status. Instead, they argued for using the (stakeholder) principle of "fairness", justifying this view by arguing that voluntary relationships are based on mutual cooperation, and thus fairness²⁰. Although Norton (2007) acknowledged this different thinking in terms of stakeholder status, and observed that other academics had used the "social obligations" path for stakeholder identification, he disagreed with both and instead argued for the utilisation of Mitchell et al.'s stakeholder salience framework from 1997.

Fassin (2008), on the other hand, used attributes in his classification system that may be regarded as closely related to those employed by Mitchell et al. in their salience framework; and the authors are not the only academics to have done so, including in recent years (Ali, 2015; Khurram & Charreire Petit, 2015; Madsen & Rodgers, 2015; Mainardes, Alves, & Raposo, 2012; Marin, Mitchell, & Lee, 2015; Thijssens, Bollen, & Hassink, 2015). Fassin acknowledged that previous stakeholder typologies had in many cases used arguments related to relational influencers ("managerial approach") or the right of claimants ("legal approach"), or had been based on ethical/moral reasoning. Instead, he argued that three stakeholder categories²¹ existed, which had to be differentiated based on the

²⁰ Some academics have argued though that bargaining power may be more important than fairness for some stakeholders (Bridoux & Stoelhorst, 2014) and that in fact some stakeholders may not notice certain activities of a firm (Barnett, 2014)

²¹ See previous section regarding the three stakeholder categories (p.31).

attributes of “legitimacy of the claim”, “power/influence dominance”, and (the type of) “responsibility” (ibid., p.121). While Mitchell et al. (1997) used urgency not responsibility as the third category, the other two, legitimacy and power/influence, appear to have been used in a similar way. On the other hand, some academics have argued more recently that the stakeholder attribute power is linked with “knowledge” (Bolton & Landells, 2015) and thus expanded that specific attribute. And other academics have argued that potentially missing stakeholder attributes may be “acquired” by the stakeholder (Erdiaw-Kwasie, Alam, & Shahiduzzaman, 2015).

In addition to the aforementioned stakeholder classification concepts in the literature, including the often-referred-to moral obligation, Mainardes, Alves, and Raposo (2012) also identified Rowley’s (1997) consideration of “network density and the centrality of the organization focus” and Kamann’s (2007) discussion of “power and the level of interest” (Mainardes et al., 2012, p.1864) as having contributed to the debate of stakeholder attributes in a slightly different way. The same authors (Mainardes et al., 2012) also developed a new stakeholder model. After testing the stakeholder salience framework proposed by Mitchell et al., they concluded that “influence”, as perceived by the organisation, is the critical factor in stakeholder classification. Other academics have also tested Mitchell and colleagues’ 1997 attribute based framework; some examples are shown in Table 4 on pages 34-36.

Reference	Salience attributes	Criticism of salience framework	Suggestions by authors as result of research
(Agle, Mitchell, & Sonnenfeld, 1999)	Confirms three attributes; but most suitable is urgency; unable to identify influence of CEO values	Assumption about the influence of manager's perception lacks theoretical justification.	To focus on "principles" as in Wood (1991) regarding CEO values, etc.
(Frooman, 1999)	Provides only literature review (including criticism)	Argues that power is the most critical attribute, linked with a resource dependency.	Suggests that firms should focus on the influencing strategies of the stakeholder rather than the response strategies of the firm.
(Andriof & Waddock, 2002)	Broadly agrees with approach	Focuses on legitimacy and power only	Necessary to consider the networks companies operate in regarding stakeholder engagement.
(Phillips, 2003)	Not applicable	Legitimacy is mostly seen in terms of moral (obligations); salience model is too comprehensive regarding potential stakeholders (i.e. not useful enough).	Differentiation needed into normative and derivative stakeholder (legitimacy).
(Driscoll & Starik, 2004)	Supports the three attributes	Lacks an attribute that is specifically important for considerations of the natural environment.	Authors suggest use of proximity as additional stakeholder attribute.
(Eesley & Lenox, 2006)	Supports the three attributes; but also confirms proposed stakeholder-request-firm triplet	Lacks guidance on how to manage competing stakeholder requests. Asks if firms are likely to respond to stakeholder requests?	Salience needs to relate to action not perception; the power of stakeholders is moderated by the power of the firm; legitimacy of request made is important as well; urgency of request more vital than urgency of stakeholder group.
(Jones et al., 2007)	Agrees with the three attributes	Argues that urgency only increases level of already existing salience.	Consideration should be given to stakeholder culture, i.e. how does firm level culture impact on stakeholder management.
(Vilanova, 2007)	Agrees with the three attributes.	Proposes an additional type of stakeholder.	Proposes to consider the "short-term salient stakeholder", with specific attributes of power, legitimacy, and urgency.
(Bosse et al., 2008)	Not applicable	Not applicable	Argue for the consideration of the fairness principle to increase stakeholder satisfaction.

Reference	Salience attributes	Criticism of salience framework	Suggestions by authors as result of research
(Magness, 2008)	Overall, appears to agree with attributes	It does not define who or what should count as stakeholder.	Argues that the legitimacy perspective determines who or what really counts.
(Pfarrer, Decelles, Smith, & Taylor, 2008)	Generally agrees with salience model	Lack of consideration of discourse (between stakeholders and/or firm) process and resulting "concurrence".	Argues that salience (level) changes over time, e.g. after a transgression, and that discourse/ concurrence is a variable to be considered.
(Mitchell et al., 2011)	Agrees with the three attributes	Argues that each attribute requires a different interpretation in the family firm context.	Suggests that framework itself is correct, but specific focus of each attribute is different to non-family firms.
(Neville et al., 2011)	Overall, agrees with the three attributes from a normative perspective	Urgency not/less relevant; primarily moral legitimacy to be considered; salience varies with degrees of attributes; is not a dichotomy.	In addition to normative approach, descriptive angle should be identified; and "antecedents, misperceptions, and responses" considered.
(Crilly & Sloan, 2012)	Not applicable	Argues that attributes are variables of the external environment that cannot explain variance between firms alone.	Proposes an Inside/out approach that focuses on the managerial cognition instead of external variables (outside/in approach) only.
(Mainardes et al., 2012)	Generally agrees with the three attributes.	Relationship between stakeholder and firm is important, use of relevance, mutual influence and participation as variables.	Suggests using six stakeholder types: regulator, controller, partner, passive, dependent and non-stakeholder. Propose influence as perceived by firm as critical.
(Mitchell, Robinson, Marin, Lee, & Randolph, 2013)	Agrees with the three attributes.	Argues that each attribute requires a different interpretation.	Suggests that spirituality results in eight different types of stakeholders.
(Tashman & Raelin, 2013)	Agrees with the attributes in general.	Criticism is based on other studies showing that managers make decisions without consideration for stakeholders (Frooman, 1999; Magness, 2008).	Proposes to move attributes/salience to level of firm and society (based on stakeholder-agency theory; assumption is that firm is a nexus of contracts).
(Ali, 2015)	Agrees with the general approach of attributes; agrees with power and legitimacy	Rejects notion of urgency.	Suggests modifying typology by replacing urgency with organisation (of stakeholders).

Reference	Salience attributes	Criticism of salience framework	Suggestions by authors as result of research
(Marin et al., 2015)	Agrees with the three attributes.	Argues that each attribute requires a different focus (ethnic kinship-based power, ethnic-moral legitimacy, and ethnic-critical urgency).	Suggests that Simmelian (bonding and bridging) ties and social capital play a key part in ethnic stakeholder (attribute) considerations.
(Thijssens et al., 2015)	Agrees with the three attributes.	Indirectly argues that the three attributes have a different level of importance.	Suggests that findings point into the direction of legitimacy being most important attribute in context of environmental NGOs.

Table 4 Overview of key stakeholder salience model testing (source: author)

Overall, the examples from the academic literature shown in Table 4 highlight that stakeholder identification and classification (of human entities) is largely approached using some form of stakeholder attribute approach; in many cases those suggested by Mitchell and colleagues back in 1997²².

As far as non-human entities, such as the natural environment or future generations, are concerned though it appears that many academics refer back to Freeman's original definition to allow for their inclusion (and identification or classification): can affect/is affected (Bundy, Shropshire, & Buchholtz, 2013; Driscoll & Starik, 2004; Starik, 1995; Wheeler & Sillanpaa, 1998). Academics rejecting stakeholder status for the natural environment often specifically criticise this approach, arguing that if this claim is used, then almost everything can be regarded as a stakeholder (Fassin, 2008; Laine, 2010; Orts & Strudler, 2002; Phillips & Reichart, 2000).

Haigh and Griffiths (2009, p.56) summed up the academic debate concerning the natural environment as a stakeholder by pointing out that it is either about the stakeholder attribute of moral obligation and/or the "adequacy of Freeman's (1984) 'can affect or is affected by' criterion". However, Driscoll and Starik (2004) provided another angle to the debate that Haigh and Griffiths had neglected, proposing that the "proximity" dimension had to be considered an attribute in addition to Mitchell and colleagues' model on stakeholder salience from 1997. In their view, proximity relates not only to spatial distance or time, but also to shared "ideas, approaches, and actions" (ibid., p.64). Overall though, this additional dimension is based on the assumption of applying stakeholder attributes.

As with the debate on the natural environment, future generations appear to be regarded as a stakeholder group based on views related to the attributes of moral obligations and/or responsibilities (e.g. Jeurissen & Keijzers, 2004). That said, Wheeler and Sillanpaa (1998) used the attribute of human relationships (direct or indirect) and Neville, Bell, and Whitwell (2011) argued that "potentiality" must be considered as part of the debate, especially in the context of future generations. As with the latter authors, Clarkson (1995) had previously noted that the claims,

²² This extends to newly published research at the time of writing this thesis (Lämsä, Heikkinen, Smith, & Tornikoski, 2016; Majoch, Hoepner, & Hebb, 2016), demonstrating the continued academic acceptance of the stakeholder (salience) attribute approach.

rights, interests and other attributes of stakeholders may be in the past, present or future, thus (indirectly) including future generations as a stakeholder group. In addition, one stakeholder attribute specific to a certain type of firm was proposed by Mitchell et al. (2011). The latter group of scholars asserted that in a family firm, family (involvement) in itself is an attribute that leads to the “legacy-based legitimacy” of assuming that future family generations are stakeholders (ibid., p.244).

This section of the literature review has established that the common approach to identifying and/or classifying stakeholders is via stakeholder attributes. While some authors have focused their attention on Freeman’s original stakeholder attribute of can affect/is affected to prove stakeholder status, others have followed Mitchell et al.’s salience model’s three attributes, or a variation of those. The former is of specific interest in the context of non-human entities such as the natural environment or future generations. Overall though, the literature review highlights the clear lack of academic consensus on the matter of non-human entities. Moreover, it establishes that the stakeholder itself has been the focus of research and academic debate, and not the manager attributing stakeholder status; or not doing so as may be the case.

The latter point is surprising though, especially considering that it was Mitchell et al. (1997) already who had mentioned the potential influence of “managers’ perceptions” on attributing stakeholder status and/or salience. However, while several academics appear to have had similar views (Järlström et al., 2016; Marin et al., 2015; Mitchell et al., 2011, 2013), others have stated that the concept of “manager’s perception” lacks a theoretical justification (Agle et al., 1999) or that in fact it is not “perceptions” that are of relevance, but “actions” of managers (Eesley & Lenox, 2006).

Other groups of academics argued for the influence of managers’ motivations based on their “epistemic beliefs” (Hall et al., 2015), organisational culture more generally (T. M. Jones et al., 2007), or considerations of the “decision-maker’s” motivation (Weitzner & Deutsch, 2015). It should be noted though that no matter whether academics used “perception” or “motivation” or “consideration” or similar terminology, all these academics appear to refer to the same thing: that

ultimately, it is the manager's interpretation (of their environment etc.) that leads to stakeholder status with or without salience. It thus follows that all these academics focus away from the stakeholder and instead pay attention to the manager assigning stakeholder status (or not).

This approach, the focus on the manager rather than the stakeholder, had been used by two academics a few years prior to Weitzner and Deutsch, and others already. Crilly and Sloan (2012), although focusing very much on an argument around enterprise logic, had suggested the use of an "inside/out" approach in addition to the traditional "outside/in" approach. The latter was regarded as focusing on firm external variables, such as stakeholders and their attributes; the former was described as putting the emphasis of research on the firm and their managers.

Although Crilly and Sloan themselves did not use this argument, there is no doubt that criticism raised by other academics regarding the use of stakeholder attributes fits with their and other academics' view who suggest a focus on the manager rather than the stakeholder. Already back in 1995, Jones (T. M. Jones, 1995) had argued that managers do not behave in the same way and that they may – or may not – act rationally (in regards to stakeholders). This point was more recently considered again; this time criticising academics for making the assumption that managers are (always) capable of "rationally" assessing stakeholder attributes (Siltaoja & Lähdesmäki, 2015). And very recent work from academics, though in the area of human resource management, demonstrates that a focus on the (top) managers is able to contribute to theory and knowledge in general in regards to stakeholders and prioritising them (Järlström et al., 2016)

Overall, this section of the literature review establishes that the use of stakeholder attributes appears to be an accepted academic approach for identifying stakeholders (and their salience). Nevertheless, a few academics have been identified who questioned that and suggested a move towards the manager.

In addition, there have been questions raised by the academic community as to the relationship between the firm and the stakeholder; a topic, that is addressed in the next section. This is of specific importance for this research as future generations are an entity that is non-human at present, but becomes human in

the future; consequently, the relationship between the firm and the stakeholder is likely to change over time.

2.2.3 “What” - Stakeholder-Firm Relationship

The previous section identified that authors have recognised different attributes in stakeholders. In many cases, especially in relation to non-human entities, Freeman’s original attributes of “can affect/is affected” has been used by scholars to grant stakeholder status to, for example, the natural environment. However, this same set of attributes, along with others, has also led to the identification of another area of importance in relation to granting or denying stakeholder status: the type of relationship between a stakeholder and the firm²³, which forms the focus of this section.

Freeman (2010) originally assumed that a two-way relationship exists between a firm and its stakeholders (see Figure 1, p.19 for illustration purposes). This was possibly due to his rejection of the view that stakeholders are those entities needed by the firm for its survival. However, Mitchell et al. (1997, p.856) noted that “the basis of the stake [i.e. stakeholder attribute] can be unidirectional or bidirectional”, and that “there is no implication or necessity of reciprocal impact, as definitions involving relationships, transactions, or contracts require”²⁴. The unidirectional and bidirectional types of relationship have been identified by other academics since Mitchell et al., for example by Fassin (2007 & 2008). Mitchell et al. further argued that entities who “are not affected by [the firm] have no [...] relationship”, and thus cannot be stakeholders (Mitchell et al., 1997, p.856). This viewpoint appears to contradict Freeman’s (2010) view in promoting a bi-directional relationship. Using the same set of definitions as before (see Table 3, p.30, based on Mitchell and colleagues), Table 5 (p.41) was developed to set out the different types of stakeholder-firm relationships considered by scholars in the past.

²³ The term “firm” is to be interpreted here as being represented by managers, i.e. human entities as a proxy, and is used for ease of expression rather than definitional purposes; this is an issue that will partly be addressed within this section.

²⁴ Some academics suggested though that in the context of religion, reciprocity is an obligation (Ray, Berman, Johnson-Cramer, & Van Buren, 2014).

Unidirectional	
Without whose support the organization would cease to exist	Stanford memo, 1963 (as cited in Freeman, 2010); Bowie, 1988
On whom the firm depends for its existence/survival	Freeman & Reed, 1983
To whom the corporation is responsible	Alkhafaji, 1989
Stakeholders have a stake in, or claim on, the firm	Evan & Freeman 1988; Starik, 1994
Stakeholders have one or more of these kinds of stakes: interest, right (legal or moral), ownership or legal title to a company's assets or property	Carroll, 1989; Carroll, 1993
Stakeholders have an interest in the actions of an organization and the ability to influence it	Savage, Nix, Whitehead, & Blair, 1991
Stakeholders are, or might be, influenced/impacted by the organization; Stakeholders are, or potentially are, influencers of/impacting on the organization	Starik, 1994; Brenner, 1995
Stakeholders have, or claim, ownership, rights, or interests in a corporation and its activities (past, present or future); legal or moral	Clarkson, 1995
Stakeholders have legitimate interests in the procedural and/or substantive aspects of corporate activity	Donaldson & Preston, 1995
Bidirectional	
Stakeholders are dependent on the firm (due to interests or personal goals); The firm is dependent on the stakeholders	Rhenman, 1964; Ahlstedt & Jahnukainen, 1971
Stakeholders can affect the achievement of an organization's objectives; Stakeholders are affected by the achievement of an organization's objectives	Freeman & Reed, 1983; Freeman, 2010; Freeman & Gilbert 1987; Carroll, 1993
May be bidirectional, but not necessarily	
Stakeholders benefit from, or are harmed by, and their rights are violated, or respected by, corporate actions	Evan & Freeman, 1988
Firm is significantly responsible for stakeholders' well-being; Stakeholders hold a moral or legal claim on the firm	Langtry, 1994
Human process of joint value creation	Freeman, 1994
Stakeholders bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in the firm, or are placed at risk as a result of a firm's activities	Clarkson, 1994
Reciprocal impact (relationship, transaction or contract)	
Stakeholders are claimants who have contracts	Cornell & Shapiro, 1987; Freeman & Evan, 1990
Stakeholders are in a relationship with an organization	Thompson, Wartick, & Smith, 1991
Stakeholders have legitimate claims on the firm (established through the existence of an exchange relationship who supply the firm with critical resources and in exchange each expects its interests to be satisfied)	Hill & Jones, 1992
Stakeholders have some legitimate, non-trivial relationship with an organization such as exchange transactions, action impacts, and moral responsibilities	Brenner, 1993
Stakeholders interact with and give meaning and definition to the corporation	Wicks, Gilbert, & Freeman, 1994
Stakeholders interact with the firm and thus make its operation possible	Näsi, 1995

Table 5 Stakeholder-firm relationships (based on Mitchell et al., 1997)

Table 5 (p.41) illustrates that different academics have held different views of types of stakeholder-firm relationships in the past, as discussed by Mitchell et al. (1997), but also that some definitions may be categorised as “may be bidirectional”. For example, Langtry (1994) assumed that firms are responsible for stakeholders. Although this implies that the firm intends to take (positive) action towards stakeholders, it does not guarantee that firms actually do so in practice.

It is interesting to note that more recently, some academics have tried to make a case for more stakeholder engagement, i.e. for managers to pro-actively engage with stakeholders (Kunseler et al., 2015; Reed & Curzon, 2015) thus potentially implying or even advocating a bi-directional relationship. Somewhat similar appears to be research by other academics who suggest that managers who are in charge of CSR implementation expect a return on that investment (Cantrell, Kyriazis, & Noble, 2014) and/or that CSR is only executed in order to create a certain response from stakeholders (C. Mason & Simmons, 2014). On the other hand, it should be noted that other academics have found altruistic motives to be the driver behind CSR investments, implying a more one-directional relationship (Chang, Kim, & Li, 2014).

Similarly, Freeman’s definition from 1994 is ambiguous with regard to the type of relationship; it does not specify which entity is doing what, when, or how, etc.

Moreover, it emerges that all definitions refer to firms, organisations, or corporations rather than to the owners and/or managers of a firm. This appears to contradict the basics of stakeholder theory and the stakeholder approach, as many authors have stressed that it is firm’s managers’ responsibility to manage stakeholders (Donaldson & Preston, 1995; Driscoll & Starik, 2004; Neville et al., 2011). Furthermore, it has been specifically argued that managers are the proxies for their firm in that respect (e.g. Andriof & Waddock, 2002; Frooman, 1999; T. M. Jones & Wicks, 1999) as is the case for stakeholders such as suppliers, customers etc. Yet, none of the definitions provided in Table 5 take account of that perspective. On the contrary, while the definitions assume that relationships are being managed, in line with Clarkson’s (1995) view, they do not specify how this is to be done or by whom, i.e. by which entities. Nevertheless, the authors presumably regarded the “firm” and similar terminology as in line with suppliers and similar stakeholders; human entities within these organisations are

accepted as the counterpart entities, i.e. proxies, for any stakeholder relationship rather than the non-human entity of a firm or corporation itself.

Considering the stakeholder-firm relationship on a generic level, it becomes apparent that the entities involved are of major importance. In cases where academics assume direct bidirectional relationships between stakeholder(s) and the firm in the sense that communication is necessary and occurring, it is essential that both entities are human; otherwise, such a direct relationship would be impossible. One entity for which this is seemingly not the case is the natural environment, which cannot itself communicate with a firm's managers, so the relationship can only be unidirectional. Wheeler and Sillanpaa (1998) specified these stakeholders as non-social stakeholders due to their non-human nature and their lack of ability to socially interact. However, while some authors (e.g. Norton, 2007) did not address this matter, others such as Driscoll and Starik (2004) found arguments against this perspective.

Driscoll and Starik claimed that a bidirectional relationship is possible between firms and, in their exemplar case, the natural environment, a non-human entity, by using Mitchell and colleagues' (1997) argument for their own purposes. Mitchell et al. made a case built on work by Etzioni (1964 and 2010²⁵) that power is divisible into three types: coercive, utilitarian, and normative. Driscoll and Starik explained that the natural environment had both coercive power, e.g. via natural disasters such as storms, and utilitarian power, e.g. the reduction of natural resources such as trees. Thus, even though the natural environment is unaware of its power(s) and does not exercise these on purpose (see also Mitchell et al., 1997), this line of argument enables the natural environment to have a bidirectional relationship with an organisation, and has been used by other academics since (e.g. Haigh & Griffiths, 2009). Consequently, non-human entities cannot necessarily be excluded from having a bidirectional relationship with a firm (or its proxies).

Another angle in the debate around the type of relationship of stakeholder(s) and the firm is the differentiation between the broad and narrow views of stakeholder

²⁵ The original publication is from 1988; 2010 is the reprint version date.

definitions. Fassin (2008) argued that the application of the narrow view would only permit entities who are legitimate and, more importantly, have a contractual relationship as stakeholders. He added (the authors based their views on work by Mitchell et al., 1997) that stakeholders allowed within the narrow view are only those who have a “direct relevance to the firm’s core economic interests” whereas the broad view was about collecting “knowledge of actual and potential claimants in the firm’s environment” (Fassin, 2008, p.117). This point is made clear for example in a publication by Tang and Tang (2012), who clearly applied a narrow view when stating that the stakeholder attribute “power” is linked with a bi-directional relationship between the firm and the stakeholder. Similarly, other studies, for example Haigh and Griffiths (2009), identified the narrow view as pertaining only to “entities that have (largely) economic transaction-based relationships with organisations” (ibid., p.3; see also e.g. Orts & Strudler, 2002; Phillips & Reichart, 2000).

In line with Phillips (2003) though, Fassin (2008) also argued that some firm stakeholders lack any direct relationship with the firm itself (broadly in line with Mitchell et al. on actual versus potential stakeholders), but in Phillips’ words, with a normative stakeholder, making them derivative stakeholders²⁶. Phillips (2003) argued that these derivative stakeholders had the potential to affect other, i.e. normative, stakeholders and thus that they required consideration. Similarly, Savage et al. (1991) proposed to consider the potential threat or cooperation of stakeholders, i.e. their potential to positively or negatively affect the firm. On the other hand, more recently, Neville et al. (2011) advocated the consideration of “potential stakeholders”, giving future generations as an example. This type of stakeholder is not seen as potentially affecting the firm presently, but as being able to potentially impact on it in the future, i.e. it may become a stakeholder in the future. Jawahar and McLaughlin (2001) similarly argued that stakeholders may change their status, i.e. (level of) relationship with the firm, depending on the life cycle stage of the firm.

The broad versus narrow view debate also leads to the necessity of addressing the issue of another type of relationship between the firm and stakeholders, in

²⁶ In contrast to Phillips, Fassin called these stakeholder types ‘stakekeeper’ and ‘stakewatcher’.

part coming back to the topic of stakeholder attributes: the basis of the relationship. Fassin (2008) summarised this by pointing out that the broad view was about relationships, whereas the narrow view was about rights. Several authors have argued over the years that the narrow view of stakeholder identification, and thus the firm-stakeholder relationship, is based on the ideas of neo-classical economics, its principle that everything is based on contracts (i.e. rights), and these are related to monetary value (R. Bird, Hall, Momentè, & Reggiani, 2007; Friedman & Miles, 2002; Norton, 2007). In contrast, some authors have argued for the consideration of moral obligations as part of the broad view, thus allowing more entities to be granted stakeholder status than in the narrow view (see e.g. Berman et al., 1999; T. M. Jones et al., 2007; T. M. Jones & Wicks, 1999; Tashman & Raelin, 2013). This approach has particularly been promoted by those wishing to include the natural environment or future generations, or other non-human entities, as stakeholders (e.g. Driscoll & Starik, 2004; Norton, 2007; Schwartz, 2006; Starik, 1995; Wheeler & Sillanpaa, 1998). On the other hand, this generic moral obligation was rejected to some extent by authors promoting the narrow view (e.g. Laine, 2010; Phillips & Reichart, 2000).

Mitchell et al. (1997) had proposed legitimacy, power, and urgency as the attributes of a firm-stakeholder relationship. Although many authors have since used Mitchell and colleagues' salience model and debated these attributes (Boesso & Kumar, 2009; T. M. Jones et al., 2007; Morris, 2000; Neville et al., 2011; Ojala & Luoma-aho, 2008; Sheehan & Ritchie, 2005), several have also focused solely on the legitimacy attribute (e.g. Phillips, 2003; Santana, 2011), or specifically debated the issue of moral legitimacy (e.g. Neville et al., 2011; Trevino & Weaver, 1999). On the other hand, some academics expanded the original salience model to include proximity (see earlier discussion of Driscoll & Starik, 2004) or influence (see Mainardes et al., 2012). The latter not only regarded the relationship from a uni-/bidirectional point of view, but also in terms of the degree of influence, a point that Fassin (2007) had already identified, and which to some extent was part of Mitchell and colleagues' thinking in designing their stakeholder salience model of 1997.

A discussion of firm-stakeholder relationship also needs to cover "perspectives". For example, as mentioned earlier, Jawahar and McLaughlin (2001) argued that

the firm changes its (level of) relationship with stakeholders depending on its life cycle stage or for other reasons (see, for example, Pfarrer, Decelles, Smith, & Taylor, 2008)²⁷. Others have noted that stakeholder identification and the granting of stakeholder status is dependent on managers' perceptions (Agle et al., 1999; Friedman & Miles, 2002; Neville et al., 2011; Tashman & Raelin, 2013), or a firm's (stakeholder) culture (Jones et al., 2007), and another group have argued for the influence of a firm's identity orientation (e.g. Brickson, 2005). The latter point has led some scholars to the conclusion that a firm's identity orientation "determines the nature of its stakeholder relationships" (Laplume et al., 2008, p.1166), as: "individualistic firms tend to maintain weak (instrumental) ties, relational firms tend to maintain strong (trust-based) ties, and collectivist firms tend to have cliquish (ideological) ties" (ibid.).

In summary, this section of the literature review has identified that the firm-stakeholder relationship can be viewed from several different angles. One, as Mitchell and colleagues proposed, relates to the direction of relationship (i.e. uni- or bidirectional, or reciprocal). This issue is in some cases related to the type of entity involved; and whether the author accepts only human entities as stakeholders, or also includes non-humans. In turn, this leads back to the narrow versus broad view debate of stakeholder definition. Those academics, who are in favour of the narrow view, are concerned with actual relationships – between two or more human entities – and in many cases focus on these human entities' rights or legal claims.

On the other hand, it has also been highlighted that advocates of the broad view are less concerned about whether the entities involved in the relationship are human, or in fact are *real* at present at all. Moral obligations and responsibilities are deemed the key factors by these authors. While (moral) legitimacy and influence play a key role for many scholars, others have pointed out that the level of influence, or other attributes, should be an additional criterion, not just its direction. However, the literature review has also identified that independently of broad or narrow views, only a few academics have addressed the issue of managers' perception(s) in relation to granting stakeholder status or identifying

²⁷ This is similar to Mitchell and colleagues' view, who proposed a dynamic approach arguing that with changing business (needs), stakeholder salience also changes.

associated attributes, despite the manager of a firm having the commonly-accepted responsibility of stakeholder management.

Overall, this and the previous two sections of the literature review have established and discussed some of the key assumptions made by stakeholder academics. For one, they appear to distinguish stakeholders by whether they are human or non-human entities. While no work was found to have rejected the notion that human entities are or can be stakeholders, the status quo differs for non-human entities. Some have used the argument that all non-human entities can receive a human proxy, e.g. customers or suppliers, and thus are effectively regarded as human. Others reject this generic view arguing that it may result in everything potentially being a stakeholder. The specific cases provided in this literature review, of the non-human entities natural environment and future generations, highlight these differing academic views.

However, while the natural environment never changes its non-human status, future generations do – over time. Consequently, future generations do not fit with the dichotomy of human versus non-human debate. The literature review has also identified that some prior authors had taken the route of different stakeholder attributes. In assessing the status of future generations, some authors often used arguments concerning moral obligation and/or social responsibility to allow the stakeholder status of future generations. Moreover, it was established that the use of stakeholder attributes for the identification and/or classification of stakeholders appears generally to be an accepted academic route. Only very few examples were found that questioned not only Mitchell and colleagues' (1997) salience model, but the application of stakeholder attributes in the first place (the most important exception being Crilly and Sloan, 2012). It must therefore be concluded that despite the responsibility of stakeholder management generally being given to a firm's managers, the academic focus has been largely on stakeholder attributes.

The literature review so far has also established that stakeholder scholars have, to date, paid very little attention to future generations. This group of (potential) stakeholders is, however, of specific interest from a theoretical point of view due

to its change from non-human to human entity over time. It is for this reason that the following section addresses this gap by considering future generations within Mitchell and colleagues' stakeholder salience framework from 1997.

2.2.4 Fit of Future Generations with Stakeholder Salience Model

Previous sections have identified that while some scholars have debated stakeholder status based on types of entity, others have used specific stakeholder attributes, such as influence or legitimacy, and others again have considered the type (uni-/bidirectional and/or actual/potential) and/or level of relationship between firm and stakeholder. In addition, the initial literature review on stakeholder theory has confirmed that the stakeholder salience model by Mitchell et al. (1997) has been widely discussed and/or applied over the years²⁸. To date, it has been pointed out on more than one occasion that the salience framework developed by Mitchell et al. is one of the most – if not the most – comprehensive model for identifying types of stakeholders and their (potential) importance to managers of a firm (e.g. Mainardes et al., 2011; Neville et al., 2011; Phillips, 2003). The stakeholder salience model is therefore used as a basis for assessing how and where future generations fit within the stakeholder approach. As Mitchell et al. included all definitions of stakeholders, adopting the broad view, the question of whether future generations are to be regarded as stakeholders is initially answered affirmatively. Due to the nature of this entity though, that is, it does not yet exist, the following paragraphs solely consider the salience framework from the perspective of the organisation/manager rather than both the stakeholder's and firm managers'.

As has been mentioned previously, the stakeholder salience model by Mitchell et al. (1997) is based on the assumption that stakeholder salience is dependent on three variables: power, legitimacy, and urgency (Figure 2, p.49 shows the stakeholder classification system resulting from the differentiation of these three attributes).

²⁸ This can be seen from the number of citations as well as the specific references/quotes used by other academics.

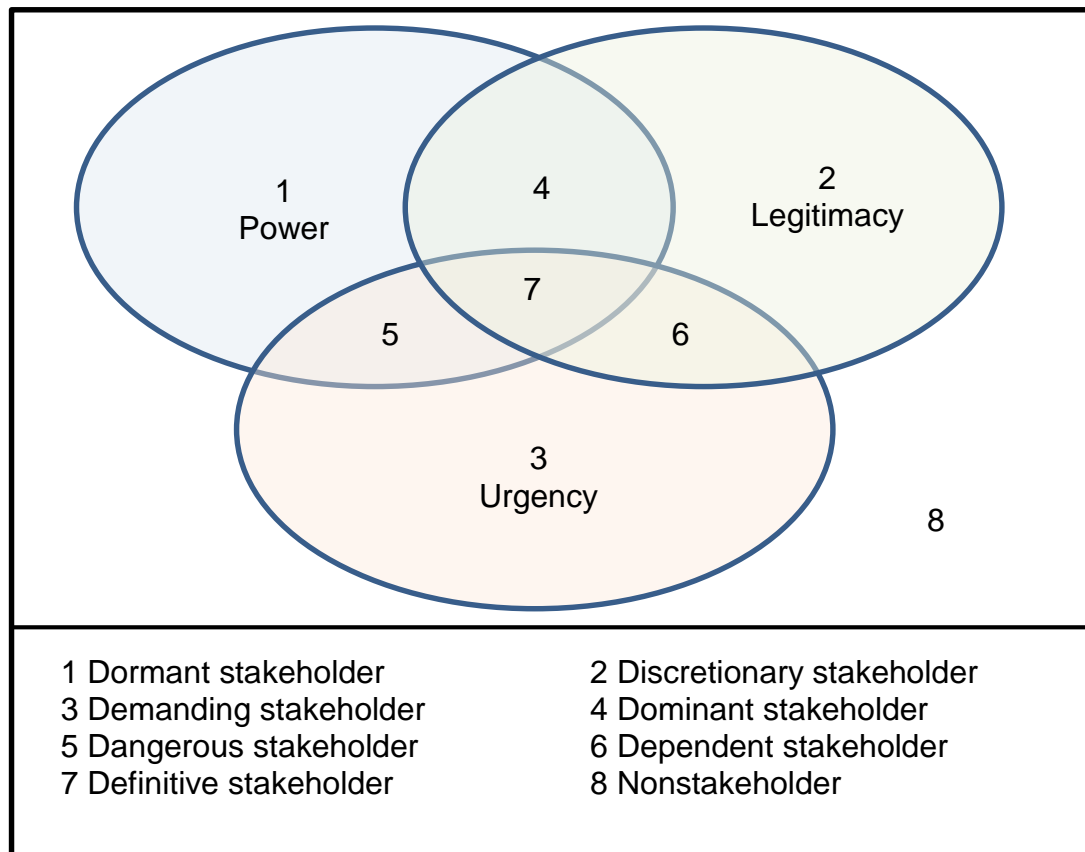


Figure 2 Stakeholder salience classification (adapted from Mitchell et al., 1997)

Depending on the existence of one or several attributes, the level of salience, or in other words "the degree to which managers give priority to competing stakeholder claims" (ibid., p.869) can be identified, along with the type of stakeholder. Whereas power is seen in relation to the stakeholder's influence on the firm, legitimacy is regarded as the stakeholder's relationship with the firm, and urgency concerns the stakeholder's claim on the firm, in terms of "criticality and temporality" (Agle et al., 1999, p.508). However, it should be noted that legitimacy was also regarded as a "generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, definitions" by the authors (Mitchell et al., 1997, p.869). The highest level of salience was given to the "definite stakeholder" type (#7 in Figure 2 above), who is associated with all three attributes, as "perceived by managers to be present" (ibid., p.878). Moderately

salient stakeholders display two attributes, and a low level of salience exists if only one attribute is allocated to the stakeholder.²⁹

The conceptualisation of the attribute of power followed that of Weber (1947)³⁰ and Etzioni (1964)³¹. Mitchell et al. argued that in a relationship where one entity is able to make the other entity do something they would otherwise not do or want to do, power exists. Who holds power, but also whether this power is to be used (against the firm), are key factors. The authors also considered the three different types of power proposed by Etzioni: coercive power – via force or threat; utilitarian power – via material or other incentive; and normative power – via symbol or symbolic action, or similar. From the point of view of the firm, it appears difficult to exercise power of any type over an entity – such as future generations - that does not (yet) exist, and vice versa. It therefore has to be concluded that within Mitchell and colleagues' framework, future generations have no power attribute.

Mitchell et al. (1997) followed Suchman (1995) and Weber (1947) regarding the legitimacy attribute, emphasising its “generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, definitions” (1997, p.869). Furthermore, the basis for consideration was not only seen at the individual level, but also in connection with an organisation and society. On an individual or organisational level, it appears difficult to justify some form of salience regarding the legitimacy of future generations. Organisations themselves cannot have future generations; only their human proxies can. Attention thus reverts to the individual level. However, the individual's future generation is not likely to be of any consequence for the firm and thus is not likely to receive salience. In contrast, it is clear that future generations do have a fit in the societal context. It may therefore be argued that future generations have some level of legitimacy within Mitchell and co-authors' salience framework. Nevertheless, this depends on the firm's and/or the manager's beliefs, norms and values. For example, if a manager of a firm is charged with assessing the importance of (potential)

²⁹ It should be noted that the authors themselves realised that these attributes do not have a status of either being present or absent, but if they are present, they operate on a continuum. However, for the purpose of classification, the authors only assumed the dichotomy.

³⁰ See also Weber (2013, reprint of 1922) and Trubek (1972)

³¹ See also Etzioni (1988)

stakeholders, s/he may not necessarily regard society as important and thus future generations may become non-stakeholders; especially if the firm has a short-term outlook.

Regarding “urgency” as part of Mitchell et al.’s salience framework, it is necessary to divide into the two aforementioned dimensions: time sensitivity and criticality. While time sensitivity, “the degree to which managerial delay in attending to the claim or relationship is unacceptable to the stakeholder” (Mitchell et al., 1997, p.869), is clearly of no importance in connection with future generations, criticality may differ. Mitchell et al. (1997, p.869) defined criticality as “the importance of the claim or the relationship to the stakeholder”. Even though a relationship does not (yet) exist, the importance will again vary in line with the firm’s and/or the manager’s values and beliefs, etc. However, due to the entity’s non-existence, and thus non-predictability, it is more likely that firms and/or managers will regard it as having no claim (yet), and consequently no salience.

In summary, considering Mitchell et al.’s framework, it appears that legitimacy may be the only attribute that firms and/or managers consider in connection with future generations, so the level of salience as per the framework would have to be categorised as “low”. Consequently, if a firm and/or manager regards future generations as stakeholders, which it doesn’t need to do in the first place, their “needs” would not be categorised as important, and thus may in many cases be neglected based on the stakeholder salience framework.

In addition to the three specific salience attributes part of the framework, it may be useful to consider general assumptions in Mitchell et al.’s work. The authors stated that “stakeholders can gain or lose salience to a firm's managers” (1997, p.868). In their view, this is dependent on three criteria (ibid.):

1. Stakeholder attributes are variable, not in a steady state.
2. Stakeholder attributes are socially constructed, not objective reality.
3. Consciousness and wilful exercise may or may not be present.

Considering the first point, it is clear that this may have an influence on the salience of future generations. While at present they are not (yet) a stakeholder with salience, they may become one in the future, as over time things may

change³². However, where future generations are concerned, this point is undoubtedly also linked with the second of the three statements in relation to subjectivity. Mitchell et al. argued that managers' perceptions are critical. It therefore follows that ultimately, the question of *reality* depends on each individual manager's values, norms and beliefs. Future generations as a possible stakeholder are no exception to this, nor is a potential level of salience associated with it. It is this "socially constructed" enigma that potentially also influences the third point. It is clear that a not-yet-existing entity cannot under any circumstance exercise power. This attribute therefore does not apply to future generations. Then again, when taking into consideration the argument that reality is constructed by the manager, it appears that the way future generations are perceived may be linked to the individual's (or organisation's) values, norms or attitudes, leaving salience open to interpretation by the manager.

The above debate on how and/or whether future generations may fit within the stakeholder salience framework by Mitchell et al. (1997) highlights that the only way to fit that entity into the model is via considerations made by managers. However, even with these managers' considerations taken into account, any salience is possibly low level, because only one of the three salience attributes, legitimacy, is likely to be associated with future generations as a stakeholder. It thus begs the question how to take future generations forward in this debate.

Although Mitchell et al.'s stakeholder salience model has been shown to be the most relevant and comprehensive framework, it has also received criticism as Table 4 (pp.34-36) highlighted with a summary of key publications³³. Some key criticism, for example that summarised by Mainardes et al. (2011), which had been identified by Agle et al. in 1999 in parts³⁴, related to the measurability of the salience attributes, the applicability of the salience framework for practitioners, and also the general differences identified between the theoretical background of

³² It may be argued that one such situation is the birth of a future generation. However, once born, that entity would not fall into the category of a future generation of society any longer, but that of current generation.

³³ It is not the purpose of this section to identify and/or establish the validity of these criticisms.

³⁴ Agle et al. questioned why salience should be influenced by managerial perception; and instead suggested social cognition theory as a means to explain certain managerial behaviour.

the framework and (the often different) perceived organisational *reality*³⁵. While Table 4 (pp.34-36) shows that most authors agree with the general approach of the salience model via stakeholder attributes, some suggestions for improvement have also been made, either via a different interpretation of one or several stakeholder attributes, suggested additional attributes, or suggested additional stakeholder types.

For the purpose of identifying the salience level of future generations (of society) it appears that none of these stakeholder attribute-related modifications make any difference to the previous theoretical assessment though. On the contrary, for example, the emphasis on moral obligation as part of legitimacy (Phillips, 2003) confirms the point made earlier regarding the legitimacy attribute. One attribute suggested in relation to the natural environment was that of proximity (Driscoll & Starik, 2004), via a spatial dimension in addition to Mitchell and colleagues' temporal dimension. However, it becomes clear that this is of no relevance to future generations either.

It thus has to be concluded that the use of (variations of) stakeholder attributes may not be the most appropriate approach for the entity of future generations. Instead, it has to be investigated whether the approach by Crilly and Sloan (2012) and other academics with a similar view should be pursued by academics: the focus on the manager and their considerations/associations in regards to stakeholders and specifically future generations.

The literature review, and the theoretical considerations regarding future generations' fit with the use of stakeholder attributes has not resulted in a clear picture. On the contrary, it emerged that future generations do not appear to fit the concept of stakeholder attributes.

Family businesses have been identified by numerous authors as being different and behaving differently due to the family involvement, as is highlighted in subsequent sections of this thesis. While future generations have largely been neglected in the general stakeholder literature, it appears that their consideration in the family firm context is even more crucial than it is in the societal context.

³⁵ *Reality* in this context is not to be seen in relation to philosophical views, but in relation to how humans view their environment.

The following sections therefore examine the entity of future generations in the specific context of family businesses, i.e. future family generations.

2.3 Putting Future Generations into the Context of Family Firms

The previous sections have provided an overview of the stakeholder theory literature. It was shown that in some cases the debate on ‘who’ and ‘what’ counts in stakeholder theory goes back to the fundamental question of whether an entity is a stakeholder or should be given stakeholder status in the first place. The answer to that question is often linked with the author’s adoption of the narrow or the broad view. Examples of entities whose stakeholder status is still debated include the natural environment and future generations.

While the natural environment has been discussed by several prior authors, the literature review identified a lack of any significant consideration of future generations. Furthermore, it appears that future generations have mostly been linked with wider society, resulting in the popular view that a moral obligation exists towards that entity and thus legitimacy³⁶. Debate has also focused on stakeholder status and salience changing according to different contexts (e.g. Mitchell et al., 2011; Neville et al., 2011), and one such context is family businesses. Putting the entity of future generations into that context results in the identification of a specific group of future generations: future family generations. Family firms are important as they play a key part in the global economy, so family business research and stakeholder theory are linked in this sub-chapter.

The following sections address family businesses and the research that has been done to date in the field. They initially provide a brief overview of family business research in general, starting with definitional issues of what constitutes a family firm, and followed by sections addressing academic literature in terms of why family, “familiness”, and family involvement in the firm are regarded as important by the family business research community. Ultimately, the sub-chapter

³⁶ That is of course not to say that all authors agree to recognise future generations as having stakeholder status.

discusses the issue of how the entity of future family generations fits with the stakeholder approach in general, and with Mitchell and colleagues' stakeholder salience model specifically.

2.3.1 Family Business Definition

One of the most basic, and key, issue in family business research is the precise definition of what a family firm or family business is. It is of importance in this area as different definitions may lead to different research results. Some academics (Westhead & Cowling, 1998; Westhead & Howorth, 2007) suggested that depending on the definition of a family business, a firm may or may not be included in the sample, thus potentially changing ratios of findings, and ultimately leading to potential variations in research results (Rutherford, Kuratko, & Holt, 2008). It is therefore critical to address this issue first.

In the past, several authors have offered definitions and/or classifications, as outlined by Wright and Kellermanns (2011; see also for example Astrachan, 2010; Basco, 2013b; Gama & Galvão, 2012). Yet, the literature review shows that many prior studies can be grouped into one of two main streams, as Chrisman, Chua, and Sharma (2005), Garcia-Castro and Casasola (2011), and Sharma et al. (2012) have confirmed: the components (or demographic) approach, and the essence approach. It appears that these approaches are each based around one dominant theme, namely the family and their involvement in the firm (Astrachan, Klein, & Smyrniotis, 2002; Chrisman, Chua, & Sharma, 2005; Rutherford et al., 2008; Sharma et al., 2012). Family firms are in many cases differentiated from non-family firms by the type and/or level of family involvement in ownership, board of directors, senior/top management, and similar. While the demographic approach uses a corporate governance-related differentiation directly for analysis purposes, the essence approach tends to focus on behaviour, motivations and resources (e.g. Basco, 2013b; Zellweger, Eddleston, & Kellermanns, 2010). In some cases, as pointed out by Garcia-Castro and Casasola (2011), family firm classification may take succession-related topics into consideration too.

One of the most frequently-used definition of family firms was proposed by Chua, Chrisman, James, and Sharma (1999) (found for example in Carmon, Miller, Raile, & Roers, 2010; Ibrahim, Angelidis, & Parsa, 2008; Moss, Payne, & Moore, 2014; Sindhuja, 2009; Zellweger & Nason, 2008; Zellweger, Nason, & Nordqvist, 2012), and is as follows:

"The family business is a business governed and/ or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families." (Chua et al., 1999, p.25)

Some criticism of this definition, however, has been expressed by mostly the same authors in 2005 (Chrisman, Chua, & Sharma, 2005), on the basis that it is unclear whether the family or the firm should be the focus of the research. They concluded that a definition should account for the difference between family and non-family businesses. Carsrud and Brännback (2012), on the other hand, argued that despite the variety of definitions used, and no matter whether an "implicit or explicit definition" (2012, p.2) is given, none will ever fit all the types of family businesses that exist at present. One example given by these authors was an ex-married couple continuing to run a business together.

As a consequence of the ambiguity in the literature outlined here, it is necessary to clarify the standpoint taken in this research. The following definition is adopted: A family business is A) an organisation in which a family or a family member holds the majority ownership, and at least one family member is actively involved in the business, or B) the firm is perceived as a family business, e.g. by the owner, a top-manager, employees, or other stakeholders such as society/the public. This research does not assume that family firms must always desire to hand over the business to a future family generation.

2.3.2 Background to Family Business Research

The importance of family involvement to a family firm definition highlights this subject's general importance to the field. This section thus provides a general overview before more specifically focusing on the relevant key research.

In general, family business research has seen growing academic interest over recent decades (Friedman & Miles, 2002; Litz, Pearson, & Litchfield, 2011; Sharma et al., 2012; Short, Sharma, Lumpkin, & Pearson, 2016; Stewart & Miner, 2011). The reasons for this are varied, but family firms' importance to the local, national and global economy (e.g. Chrisman, Chua, & Sharma, 2003; Gama & Galvão, 2012; Sharma & Carney, 2012; Speckbacher & Wentges, 2012), the realisation of how little family firms had been researched (e.g. Dyer, Jr. & Sanchez, 1998; Litz et al., 2011; Salvato & Aldrich, 2012) and how much still needs to be done (Chrisman, Chua, & Sharma, 2005; D. Miller & Le Breton-Miller, 2007; Sharma et al., 2012) are among them. Moreover, the increase in academic importance of family business research is evidenced by the number of related articles published in journals³⁷.

A general increase in interest in the subject as well as an identified increase in publications in recent years (Astrachan & Pieper, 2010a; Alfredo De Massis, Sharma, Chua, & Chrisman, 2012; Gedajlovic, Carney, Chrisman, & Kellermanns, 2012; Stewart & Miner, 2011) has also led to an increased number of topics being addressed (e.g. B. Bird, Welsch, Astrachan, & Pistrui, 2002; Litz et al., 2011; Zahra & Sharma, 2004) as well as different types and sizes of family firms being examined (e.g. Sharma et al., 2012). While research from the late 1980s to the early 1990s mainly focused on researching small and medium sized enterprises (e.g. B. Bird et al., 2002; Litz et al., 2011; Sharma et al., 2012; the authors often based their views on work by Handler, 1989) authors have become increasingly interested in large publicly- and privately-held firms since the turn of the millennium (Sharma et al., 2012). In addition, the research focus has shifted from succession related research (A. L. Carsrud & Brännback, 2012; Dyer, Jr. & Sanchez, 1998; Litz et al., 2011; Sharma & Carney, 2012; Yu et al., 2011) to transgenerational control, corporate governance and, prominently, firm performance (e.g. Dyer, Jr. & Sanchez, 1998; Sharma & Carney, 2012; Sharma et al., 2012; Yu et al., 2011). The identification of differences between family and

³⁷ Another indication is the impact factor of the key publication in the field: Family Business Review (FBR). In 1988, FBR was launched as the first family business focused journal (Sharma et al., 2012). In 2007, FBR had an impact factor of only 0.675, whereas in 2010 it had risen to 2.426 (FFI, 2012). In 2014, FBR's impact factor had risen to 4.243 (5.528 in early 2016) and its ranking according to the Thomson Reuters Journal Citation Reports for 2014 was 4th out of 115 in the "business" category (Sage, 2016), just behind the Academy of Management Review, the Journal of Management, and the Strategic Management Journal, demonstrating its importance.

non-family firms, often in connection with performance, has also been an increasingly addressed theme (Chrisman, Chua, & Kellermanns, 2009; Chrisman, Chua, & Steier, 2005; Holt, Pearson, Carr, & Barnett, 2016; Neubaum, Dibrell, & Craig, 2012; Sharma & Carney, 2012; Westhead & Cowling, 1997; Zellweger & Nason, 2008). The differences being researched besides family-versus non-family firms have also included private- versus publicly-held (e.g. Garcia-Castro & Casasola, 2011), family involvement in management versus ownership (Chrisman, Chua, & Steier, 2005; Westhead & Howorth, 2006), and founder-led firms versus those led by members of later generations (e.g. Sharma & Carney, 2012), and others.

One area where family involvement has been identified as influencing the family firm is the lack of separation between ownership and control (Carney, 2005; D. Miller, Minichilli, & Corbetta, 2013). It has also been argued that this may impact on altruism, entrenchment and similar, potentially creating a differentiating factor in contrast to non-family firms (Chrisman, Chua, & Sharma, 2005; Chrisman, Kellermanns, Chan, & Liano, 2009; Chua, Chrisman, & Bergiel, 2009; Holt, Pearson, et al., 2016; D. Miller & Le Breton-Miller, 2005; Schulze, Lubatkin, & Dino, 2003). In addition, some research has argued that there is a link between family involvement (and specifically altruism) and the performance of a firm. For example, Habbershon and colleagues (e.g. Habbershon & Williams, 1999; Habbershon, Williams, & MacMillan, 2003) proposed that family involvement creates “a bundle of resources that are distinctive”, which they defined as “familiness”. This “familiness” is seen as unique (e.g. Sirmon & Hitt, 2003) in linking family, business and individuals (Habbershon & Williams, 1999). Furthermore, it is regarded as possessing the potential to create specific capabilities (Habbershon & Williams, 1999), which in turn are viewed as leading to competitive advantages (e.g. Cabrera-Suárez, de la Cruz Déniz-Déniz, & Martín-Santana, 2011; Cabrera-Suarez, Deniz-Deniz, & Martin-Santana, 2015; Coff, 1999; Habbershon & Williams, 1999; Habbershon et al., 2003; Memili, Eddleston, Kellermanns, Zellweger, & Barnett, 2010; Sirmon & Hitt, 2003), ultimately leading to potentially improved performance (Lindow, Stubner, & Wulf, 2010; Rutherford et al., 2008).

However, the link between family involvement and performance is not fully established. Some research has produced mixed results (e.g. Arijs & Praet, 2010; Zellweger et al., 2010), while other studies have identified a positive correlation (e.g. Chrisman, Chua, et al., 2009; Sciascia & Mazzola, 2008; Zellweger, 2007). Another group, such as Stewart (2003), identified that this same "familiness" may also create inefficiencies and that it can therefore also negatively impact on performance (see also e.g. Cabrera-Suárez et al., 2011; Chrisman, Chua, & Litz, 2004; Chrisman, Chua, & Steier, 2005; Irava & Moores, 2010; Zellweger et al., 2010). Eddleston, Kellermanns, and Sarathy (2007, the authors based their views on work by Grant, 1991) emphasised the need for firms to actually utilise these unique resources or "familiness". Others, such as Schulze and colleagues (Schulze, Lubatkin, Dino, & Buchholtz, 2001), identified that some "familiness"-related factors can create a positive impact on performance while others can have a negative one.

Chrisman, Chua, and Sharma (2005) criticised other authors for assuming that the family firm's sole goal is the pursuit of wealth creation, or that family firm owners always necessarily pursue economic interests that favour financial performance (D. Miller et al., 2013). This latter idea, which refers to the pursuit of non-economic goals as a result of family involvement (Arijs & Praet, 2010; Chirico, Nordqvist, Colombo, & Mollona, 2011; Chrisman, Chua, & Steier, 2005; Mazzi, 2011; Schulze et al., 2003, 2001; Westhead & Howorth, 2007) led to the development of the concept of SEW (socioemotional wealth) in family firms. The key authors driving this theme include Berrone, Cruz and Gomez-Mejia and colleagues (Berrone, Cruz, & Gomez-Mejia, 2012; Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Gomez-Mejia et al., 2011; Gomez-Mejia, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). Originally, Gomez-Mejia et al. (2007) viewed the SEW of family firms as inclusive of one or several factors previously identified by other studies. However, more recently, Berrone et al. (2012, p.259) suggested five dimensions (each with several sub-factors) as part of the SEW approach, abbreviated as "FIBER", namely: *family control and influence, identification of the family with the firm, binding social ties, emotional attachment of family members, and transgenerational intentions*.

Overall, SEW is commonly conceptualised as the non-economic goals that drive the decisions in family firms made by family members (Berrone et al., 2010; Shepherd, 2016; Zellweger & Dehlen, 2011)³⁸, but also referring to the goals that may change perceptions of value in various areas of the business (Holt, Madison, & Kellermanns, 2016), including for example philanthropy (Feliu & Botero, 2016). As such, intrinsic views of SEW by families and/or family members may even have negative implications on a family firm's financial performance (e.g. Berrone et al., 2012; Gomez-Mejia et al., 2007). In other cases, as pointed out by Kellermanns, Eddleston, and Zellweger (2012), too much SEW may have a negative impact on family members, for example by leaving them feeling trapped within the firm³⁹.

The prior research appears to generally accept that family involvement impacts upon firm performance. In recent years, researchers have also become increasingly interested in "long-term orientation" (LTO) – a phrase now in common academic usage (Brigham et al., 2014, 2016; Chrisman, Chua, Pearson, & Barnett, 2012; Eddleston, Kellermanns, & Zellweger, 2012; Lumpkin, Brigham, & Moss, 2010; Mahto, Davis, Pearce II, & Robinson Jr., 2010; Moss et al., 2014; Zellweger, 2007). LTO is assumed to be associated with family ties (e.g. Michiels, Voordeckers, Lybaert, & Steijvers, 2012; Pearson et al., 2008; Sirmon & Hitt, 2003), and with long-term relationships (e.g. Chrisman, Chua, et al., 2009; Eddleston, Chrisman, Steier, & Chua, 2010; Memili et al., 2010; Sirmon & Hitt, 2003). It is further believed to be the reason for sustained performance in many cases (e.g. Habbershon & Williams, 1999; Memili et al., 2010), longer time horizon decision making (Chua et al., 2009; Moss et al., 2014; Zellweger, 2007), the ability to consider long term investments (Allouche, Amann, Jaussaud, & Kurashina, 2008; Eddleston et al., 2012; Moss et al., 2014; Zellweger, 2007), the development of long-term resources (e.g. Eddleston et al., 2012; Sirmon & Hitt, 2003), the development of specific capabilities and/or competitive advantages (Allouche et al., 2008; Lumpkin & Brigham, 2011; Moss et al., 2014), generational knowledge transfer (Sirmon & Hitt, 2003), and/or in many cases, the

³⁸ Although Mitchell and colleagues (Mitchell et al., 2016) did not use the terminology of "SEW", they acknowledged that family goals may be prioritised over others.

³⁹ Related work was done by Schulze and colleagues (Schulze et al., 2001) without using the SEW terminology.

consideration of future family generations, i.e. transgenerational goals (e.g. Allouche et al., 2008; Chrisman, Chua, et al., 2009; P. Davis, 1983; Discua Cruz, Howorth, & Hamilton, 2013; Eddleston et al., 2012; Zehir, Altindag, & Günsel, 2008). LTO is thus likely to play a vital role in shaping performance and related decisions. Moreover, the concept of LTO goes beyond mere consideration of financial performance. In fact, several studies have linked LTO and non-economic goals, for example SEW (socio-emotional wealth) or transgenerational factors (e.g. Chrisman, Kellermanns, et al., 2009; P. Davis, 1983; Eddleston et al., 2012; Gedajlovic et al., 2012; Zehir, Altindag, & Acar, 2011; Zellweger et al., 2012). These authors have generally argued that non-economic goals - such as maintaining SEW, or the ability to transfer the business to a future generation - are factors which are likely leading to family firms adopting a more long-term orientation (Chirico et al., 2011; Chrisman et al., 2012; Gomez-Mejia et al., 2007; Lumpkin & Brigham, 2011; Lumpkin et al., 2010; Moss et al., 2014; Mattias Nordqvist, Melin, Waldkirch, & Kumeto, 2015; Pearson et al., 2008). Interestingly, Cennamo and colleagues (Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012) proposed that the pursuit of SEW may also lead to a more pro-active engagement with stakeholders.

In addition to the ongoing family business research focus on family involvement and performance, many other areas have also been addressed by the research community over the years, which have ultimately been more temporary as research interests. One such example is the identification of the influence of social capital on competitive advantage (e.g. Cabrera-Suárez et al., 2011; Carney, 2005; Pearson, Carr, & Shaw, 2008; Perrini, 2006), and another is the concept of EO (entrepreneurial orientation). Wiklund and Shepherd (2011) regarded EO as a resource advantage with a positive impact on performance, while other scholars have regarded it as part of strategic development, or as impacting upon entrepreneurial behaviour linked with decisions and actions (Lumpkin et al., 2010; Rauch, Wiklund, Lumpkin, & Frese, 2009; Revilla, Perez-Luno, & Nieto, 2016). As in other areas, academics have struggled to identify those factors that lead to a positive impact on performance (Runyan, Droge, and Swinney (2008) produced one study which did), but have instead identified mixed outcomes depending on the variables used, e.g. culture (e.g. Casillas, Moreno,

& Barbero, 2011; Rauch et al., 2009; Tang & Tang, 2010; Uhlaner, Kellermanns, Eddleston, & Hoy, 2010).

This section of the literature review has provided a general overview of the key research in the family business research field. However, the question remains as to how the stakeholder approach fits with family businesses and family business research, which is the focus of the following section.

2.3.3 Family Business (Research) and the Stakeholder Approach

The previous sections have provided a general overview of the key research in the academic field of family businesses. This section now moves family business research into the arena of stakeholder theory; specifically, it addresses A) how family business researchers have made use of stakeholder theory and the stakeholder approach, and B) how future family generations have been considered by stakeholder theorists in the past.

2.3.3.1 The Stakeholder Approach in Family Business Research

Over the years, several studies have pointed out the need to look at family businesses from a stakeholder perspective (Cabrera-Suárez et al., 2011; Chrisman et al., 2003; Chrisman, Chua, & Sharma, 2005; Litz, 1997; Mattias Nordqvist et al., 2015; Sharma, Chrisman, & Chua, 2003a; Zellweger & Nason, 2008). It should be noted though that this statement is ambiguous, as it can be interpreted in two ways: A) that there is a need to consider how stakeholders and their management impact on family firms and vice versa; or B) that it is assumed that family (and potentially future family generations) are stakeholders. The literature review shows that the former has been applied more often than the latter, and key stakeholders such as customers, employees or society have been considered within the family business research field more often than family itself (Bjuggren & Sund, 2014; Cabrera-Suárez et al., 2011; Jeurissen & Keijzers, 2004; Laplume et al., 2008; Neubaum et al., 2012). Nevertheless, some studies have considered family as a stakeholder and specifically stated this (Barredy & Batac, 2010; P. S. Davis & Harveston, 1998; Habbershon et al., 2003; Lansberg,

1988; Mitchell et al., 2011; Mattias Nordqvist et al., 2015; Sharma, 2003; Zellweger et al., 2012).

Schulze et al. (2003), for example, discussed the differences and potential implications of family involvement in different areas related to corporate governance, and differentiated between family (and non-family) members in holding positions such as shareholders, directors, and managers. Therefore, although it is not directly stated, one can assume that the stakeholder perspective was used. The latter point was raised by Nordqvist et al. (2015), who found that in many cases, the use of stakeholder theory or assuming family to be a stakeholder was not made explicit by the scholars.

One of the earliest studies to recognise family as a stakeholder – and who has been acknowledged by some in this context (e.g. Gersick, 1997; Sharma, 2004; Zellweger, 2007), was that by Lansberg (1988).

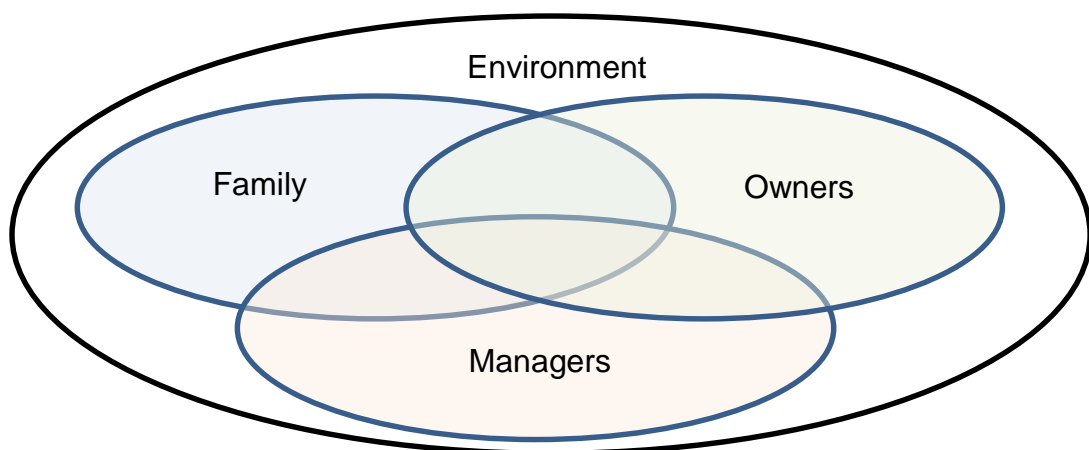


Figure 3 Stakeholders in family firms (adapted from Lansberg, 1988)

Lansberg (1988) used a Venn diagram (i.e. three circles) to illustrate the potential differences in (family) stakeholders' perspectives and their links with non-family stakeholders (see Figure 3, above). He argued that "the family firm system" (ibid., p.123) consists of the following four categories:

- 1) the family system (the family);
- 2) the ownership system (owners/shareholders);
- 3) the management system (managers); and
- 4) the environment (external people).

Lansberg essentially defined three types of (internal) family firm stakeholders, differentiated by their respective positions within the corporate governance structure of the firm: the family, owners/shareholders, and managers. Lansberg's approach was picked up by Hoy and Verser (1994), but more recently also by Sharma (2003) who developed a family firm typology (creating 72 different types of family firm stakeholders) which focused solely on the internal system defined by Lansberg; or in Sharma's words, "internal family firms stakeholder" (sic.). Sharma replaced Lansberg's "managers" with "employees", arguing that this term should be seen in the widest sense, including managers (2003, p.6). Interestingly, Lansberg (1988) based his work in part on Davis' (1983) research, which used systems theory to identify that family businesses are joint systems, i.e., they consist of a family system and a business system. In fact, it almost seems that Lansberg adapted Davis' findings by translating them into a stakeholder theory approach, differentiating between family (internal stakeholders) and business (the (external) environment).

Overall, reviewing the literature leads to the summary that several authors have used stakeholder theory (sometimes mixed with systems theory and/or often in line with Lansberg's three system model) since Sharma's publication in 2003 on family as a stakeholder (e.g. Barredy & Batac, 2010; A. L. Carsrud & Brännback, 2012; Chrisman et al., 2012; Chrisman, Chua, & Sharma, 2005; Chrisman, Kellermanns, et al., 2009; Dawson, 2012; Habbershon et al., 2003; Yu et al., 2011; Zellweger & Nason, 2008). However, the situation differs for future family generations as a specific stakeholder.

It emerges from the literature review that while numerous authors have looked into transgenerational issues, e.g. succession, none have done so specifically using a stakeholder approach in relation to future family generations (including, for example, the following publications: Blumentritt, Mathews, & Marchisio, 2012; Cucculelli & Micucci, 2008; P. S. Davis & Harveston, 1998; Eddleston et al., 2012; Gomez-Mejia et al., 2007; Lansberg, 1988; Mazzi, 2011; Memili et al., 2010; Steier & Miller, 2010; Westhead & Howorth, 2002). On the other hand, studies which specifically used a stakeholder approach did not discuss future family generations (Bingham, Dyer, Jr., Smith, & Adams, 2011; Chrisman et al., 2012; Laplume et al., 2008; Neubaum et al., 2012; Parmar et al., 2010; Sharma, 2003;

Zellweger & Nason, 2008) or only pointed out that future family generations are, or should be, regarded as stakeholders in the family business context (Bingham et al., 2011; Sharma, Chrisman, Pablo, & Chua, 2001). Even Cabrera-Suarez et al. (2011) only briefly mentioned the possibility of adding further stakeholders to their developed model, specifically pointing towards family and future family generations. Unfortunately, they did not elaborate on this intriguing subject any further.

Delmas and Gergaud (2014) are to some degree an exception to the summary given above, in arguing that their research used a stakeholder perspective because they specifically wished to consider the influence of future family generations as a stakeholder on decision making regarding succession. They further state that this is in contrast to past stakeholder research that only considered “current” stakeholders. The problem with their statement is that, while they regard future family generations as stakeholders, they do not go beyond the next generation; they only consider the immediate next transfer of ownership/leadership. The authors thus restrict the entity of future family generations to a small part: the one that is born already.

Overall, this section’s review has established that scholarly consideration of future family generations as stakeholders in family firms has been scarce in wider family business research. Moreover, it has established that the unborn entities of future family generations have been considered even less than those already born – as the latter are of potential interest for succession (planning) in family firms. The academic picture that evolves from this is therefore one of deficiency, representing a gap in the literature in terms of addressing this subject.

The one eminent exception to the above findings is Mitchell et al. (2011) (and later Mitchell et al. (2013), who mostly referred back to the 2011 publication). These studies specifically looked at family and different generations of family in relation to stakeholder attributes and ultimately salience⁴⁰. Nevertheless, in summary, the analysis of family business research literature shows that in general, while some academics have used a stakeholder approach to “family”,

⁴⁰ The findings from their research will be discussed in the following section.

often in connection with the three system model, the academic community has broadly neglected future family generations. It is therefore necessary to identify and establish how family in general, and future family generations in particular, are considered in stakeholder theory research and related academic publications, which is the purpose of the following section.

2.3.3.2 Future Family Generations in the Stakeholder Approach

Freeman (2010) identified 11 groups of stakeholders as part of his "stakeholder view of firm" (ibid., p.25), and later, 12 groups of stakeholders for large organisations (ibid., pp.55-56). These 12 groups have several sub-groups, thus increasing the total number, but neither of the two models mentioned or implied family or future family generations as being among them. Similarly, Clarkson's (1995) influential stakeholder classification system did not mention family in any way, and others using a stakeholder approach do not appear to consider family as a stakeholder or the potential implications either.

It was previously pointed out that future generations have only been considered by a few academics, who did so in the context of society (e.g. Jeurissen & Keijzers, 2004), not in the context of family firms. Statements such as those made by Chong (2008) that the stakeholder approach is about external stakeholders, potentially attempting to explain why *family* has been left out, are regarded as inherently wrong in this research, as stakeholder theorists specifically include employees who are internal and not external stakeholders of an organisation, therefore clearly disagreeing with Chong's or similar views (against Chong's view is also Clarkson, 1995; Freeman, 2010). It must therefore be concluded that overall, despite the obvious importance of family firms and small and medium enterprises globally (e.g. Sharma, Chrisman, & Gersick, 2012), family entities and specifically future family generations have been neglected in the prior research to a large degree. In order to address this gap, the following section discusses how future family generations may be fitted into the stakeholder approach, specifically focusing on Mitchell and colleagues' (Mitchell et al., 2011) work on the stakeholder salience model in the context of family firms.

2.3.3.3 Fit of Future Family Generations with Stakeholder Salience Model

A previous section (Chapter 2, Section 2.2.4) identified that future generations (of society) as an entity may be associated with the stakeholder salience attribute of legitimacy, in line with the potential perceptions and values of a firm or its managers, but hardly (if at all) with either of the other two attributes. In the context of family firms, the situation appears to be different.

Mitchell and colleagues (Mitchell et al., 2011, 2013) argued that the perceptions of stakeholders are different in family businesses than in non-family ones, often due to the pursuit of socio-emotional wealth-related non-economic goals. In 2011, they argued that salience was also different in family firms, and posited those key differences as summarised in Table 6 below.

Salience Attribute	Businesses in General	Family Firm
Power	Utilitarian	Normative
Legitimacy	Socially constructed	Based on heredity
Temporality and Criticality	Independent	Linked due to family ties and family-centred non-economic goals

Table 6 Differences between salience in businesses in general versus in family firms (based on Mitchell et al., 2011)

Mitchell et al. (2011) argued that normative power in the case of family firms was often linked to altruism⁴¹. This altruism was regarded as “not necessarily depend[ing] upon any attempt by the stakeholder to exercise power”, “the attribution of the welfare of the stakeholder by the decision-maker”, and as “a source of stakeholder power that comes from the owner-manager rather than the stakeholder” (ibid., p.243). In terms of legitimacy, the authors promoted the idea of a legacy-based approach, i.e. one based on inheritance and privilege. However, they also specifically added the dimension of past and, more importantly, future generations in this context, rather than confining it to present family members.

⁴¹ Altruism is defined as concern for others' welfare by the authors.

The third attribute of the salience model, urgency, which is based on criticality and time sensitivity, was also regarded as different in family firms. In the case of businesses in general, the authors believed that only where both criticality and time sensitivity are present can urgency be of importance in associating some level of salience to the stakeholder. In the case of the family firm though, Mitchell et al. (2011) posited the view that not only were the criteria of criticality and time sensitivity linked, but urgency was down to whether or not the family owner/manager prioritised non-economic goals linked with socio-emotional wealth. The latter was also seen as the reason for perceptions of urgency, while time sensitivity was not necessarily regarded as important.

Considering the work by Mitchell and colleagues from 1997 (Mitchell et al., 1997), 2011 (Mitchell et al., 2011), and 2013 (Mitchell et al., 2013) concerning stakeholder salience in the specific case of future family generations as an entity, the approach has to change. Whereas future generations of society do not have to be divided into those already born and not yet born, the situation appears to be different for the family firm. Here, it is of interest to consider whether or not future family generations have already been born, and if these future family generations are already at an age where they may become active in the firm. These assumptions lead to three scenarios:

1. Future family generations not yet born;
2. Future family generations born, but still too young to become involved in the firm;
3. Future family generations born and theoretically able to join the firm⁴² or who have already joined.

In the salience framework from 1997 by Mitchell et al. (1997), it becomes apparent that in the case of unborn future family generations, the same applies as for future generations of society, i.e. power and urgency are irrelevant and only legitimacy is a potential attribute, dependent on the (family) manager's values and perceptions.

⁴² The assumption is that they are 18 years or over, independent of educational level or qualifications.

In case two, the same applies as for unborn future family generations because the entity is not yet able to exert any power, nor do they require urgent attention (yet). However, case three - future family generations theoretically able to join the firm - differs from the other two scenarios. This entity may gain stakeholder status depending on the perception and values of the family, the firm, and/or the (family) manager. In addition, if stakeholder status is granted, the salience level may be similar to that of any other family member employed in the firm, and may include some level of power and urgency, depending on the circumstances. However, Mitchell and colleagues' (1997) original salience framework did not take into consideration the additional layer of the family; that was included later, in 2011 when Mitchell et al. specifically considered not only the family system in general, but also future generations specifically, and modified their original ideas around the salience framework (as described above). As a consequence, it is necessary to look at the modified ideas in relation to future family generations.

Altruism, associated closely with the (normative) power attribute of salience, either exists or does not exist independent of the status (born or as yet unborn) of the future family generations. It is likely that this status changes over time; for example, while an unborn future family generation may not trigger altruistic behaviour in a (family) manager as yet, a born generation or one that has already joined the company may well do. The level of power associated with altruism therefore depends on the (family) manager's views.

The legacy-based legitimacy argument is of high importance for the stakeholder entity of future family generations. Mitchell et al. (2011) specifically stipulated that this legacy can be seen in both directions: it is inherited from past generations as well as providing a legacy for future family generations. As with altruism, it appears that it is irrelevant whether the future family generation has been born yet; the consideration either exists or it does not, but again, this may be open to change over time.

The third salience attribute, urgency, was argued by Mitchell et al. (2011) to be closely linked with the perception of urgency due to socio-emotional wealth considerations. If a (family) manager were to pursue these non-economic goals, it appears likely that future family generations would receive a higher level of urgency than under different circumstances. Again, it does not appear likely that

the (born or unborn) status of future family generations is relevant. Like power, though, it seems probable that time plays a role in urgency as the same level is not necessarily attributed at all times, and may change with a change of status of future family generations, e.g. when a family member turns 18.

In summary, it can be established that Mitchell and colleagues' 2011 updating of the original salience framework possibly not only changed the stakeholder status of future generations in the first place, but more importantly, amended its associated salience level in some cases. It further emerges that, depending on the perceptions of the (family) manager and the level of pursuit of non-economic goals, the salience level of future family generations may be higher than any other stakeholder's salience, including that of (non-family) shareholders. This is due in some cases to family ties, and in other cases to family values and/or goals. Overall, though, a large degree of ambiguity remains regarding how future family generations fit into the existing salience model. Moreover, the salience model does not appear to take account of changes over time, an issue that is of relevance for the entity of future family generations. Not only does the entity change their status from non-human to human over time, but it may also be perceived differently depending on whether it is born or not, and its age.

The discussion of future generations in general, i.e. of society, has suggested that while academic criticism regarding *legitimacy* was of interest, it does not necessarily provide a basis for actually changing the salience level of future family generations because perceptions are likely to play a large part in these considerations. However, the second key point raised by prior authors related to whether it should be the manager or the firm who decides on a stakeholder and its level of salience. It seems certain that, as Mitchell et al. (2011) to some extent elaborated, the family business context adds a layer to that discussion. In other words, looking at the three systems model by Lansberg (1988) or another similar one, the family firm consists of the management system, the business system, and the family system. It therefore follows that the additional (family) system may influence the perceptions of stakeholders and their associated salience levels. This topic was discussed by Mitchell and colleagues in 2013 (Mitchell et al., 2013), who argued that in family firms, the "subject" determines the stakeholder status and/or salience (of the "object" – the stakeholder), and is generally referred

to as the “manager”. They argued that the subject/manager’s dominant “position within the stakeholder network web: one of high density and high centrality (cf. Rowley 1997)” allows them to do so (ibid., p.218)⁴³. In the context of the family business, the authors further argued that this “subject” could be defined as a “dominant coalition” based on views by Cyert and March (1963). Mitchell et al. concluded that the *family business system* – in contrast to the more general business or management system - is likely to provide the dominant coalition in family firms. It should also be noted that Arregle et al. (Arregle, Hitt, Sirmon, & Very, 2007) defined the family as the dominant group in 2007, pre-dating Mitchell and colleagues; and that Chua and colleagues (Chua et al., 1999) had defined “dominant coalition” as “the powerful actors in an organization who control the overall organizational agenda” (ibid., p.24).

Furthermore, Mitchell and colleagues (2013) argued that spirituality⁴⁴ should also be taken into consideration in the family business context, thus expanding the previous (Mitchell et al., 2011) adjusted salience model by arguing that each of the already modified attributes “is shaped by workplace spirituality: work-based transcendence and social identification” (ibid., p.237). Considering that Mitchell et al. (2011) had already re-interpreted each attribute from the original salience model for the family firm context, it is difficult to identify any further implications for the stakeholder status and/or salience of future family generations. Moreover, the authors again established in 2013 that the perception of the *dominant coalition* was a key influencing factor for salience, in line with the views already highlighted here.

On the whole, it appears that future family generations have lacked consideration as a stakeholder of the firm both by stakeholder theory researchers and by the family business community. The specific gaps identified in the literature are summarised in the following section, outlining the overall aim of this research and positing the research questions which follow from it.

⁴³ Rowley (1997) did not link “high density and high centrality” to an individual within a firm, but to a firm within a network. It thus appears questionable to use Rowley’s views in the context of “subject” as Mitchell et al. did in 2013.

⁴⁴ Mitchell et al. (2013) used the following definition: “spirituality can be conceptualized to include all subjective experiences of personal transcendence” (ibid., p.221)

2.4 Gaps in the Literature and the Aim of this Research

The literature review in this chapter identified that family firms play an important role in the economy, local and global, and therefore require attention from academics. Yet, it was also established that leading family business researchers as well as management theorists agree that this has not happened to the degree regarded as necessary or sufficient. Moreover, it was established that the stakeholder perspective has hardly been used in family business research to date. This is especially surprising considering the recognised importance of future family generations to succession and the succession process, which has been researched extensively over the years by family business academics. This research aims to close this knowledge gap by addressing three specific issues.

For one, the literature review established that management theorists continue debating who is, can or should be a stakeholder; that is, whether non-human entities can or should be stakeholders. The literature review identified that authors promoting the narrow view can only accept non-human entities as stakeholders that consist of humans, such as organisations, suppliers, customers, etc. In contrast, those in favour of the broad view do not exclude any entity and have no problem considering entities such as the natural environment, trees, or even God, as stakeholders. The key argument identified in this research from that latter perspective is that all entities can be represented by human proxies.

Although this latter argumentation applies to future generations (of society) too, it is surprising to find how little attention this specific entity has received to date in the academic stakeholder literature. Moreover, future family generations as stakeholders was found to have received even less attention, and not only from management theorists, but also from family business researchers. This is somewhat surprising considering that future generations in general, and future family generations specifically, present a special case in this ongoing academic debate: they do not fit in with the dichotomy of human versus non-human as they change their status over time from non-human to human. As a consequence, this research addresses this gap in knowledge by investigating whether future family generations are considered as stakeholders; and if so, as important to the business.

Secondly, the literature review identified that over the years, several attempts have been made to develop a concept that allows the identification of stakeholders and their classification. The most dominant model identified in this research is that developed by Mitchell et al. in 1997, which proposed three stakeholder attributes to identify stakeholders, and to classify them according to their stakeholder salience level.

However, the theoretical exercise of putting future generations (of society) into that original model identified some limitations. Applying the model to the entity resulted in the assessment that legitimacy may be the only relevant attribute for all future generations. This implies that there can be no differentiation of salience level, in turn raising questions as to whether the sole use of stakeholder attributes as an identifier is in fact the most suitable approach.

Unfortunately, it emerged that the situation appears to be very similar when placing future generations into the context of family firms: unless the future family generation is already born and active in the company, the stakeholder salience model and its use of stakeholder attributes does not allow for identification or create a differentiation. Nevertheless, the exercise highlighted the potential influence of the manager on the stakeholder identification and/or classification process.

The more recent work by Mitchell and colleagues (Mitchell et al., 2011) was identified as potentially changing this lack of differentiation though by taking into consideration the pursuit of non-economic family goals. Furthermore, it was established that the additional dimension of *family* in the firm may influence stakeholder salience.

Although the literature review established the general acceptance by academics of using stakeholder attributes to identify and differentiate stakeholders, the approach appears to be lacking accuracy and/or appropriateness for the entity future family generations. Instead, Crilly and Sloan's (2012) identified approach of an Inside/Out perspective, that is, a focus on the manager and away from the stakeholder and their attributes, presents an opportunity for investigation. This approach emerged as appropriate based on suggestions from other academics who were found to have argued that "reality" is socially constructed, and that managers' considerations and even a company's cultural values play a role in the

assessment. The latter is obviously linked with the dualism found in family firms (family and business) and has been established, by leading academics, as a cause for the pursuit of non-economic goals. As a consequence, this research addresses this gap in knowledge by taking a different approach to stakeholder identification, following Crilly and Sloan's suggestion.

Moreover, this approach adds to knowledge by addressing the lack of qualitative research in family business research as identified by Reay and Zhang (2014)⁴⁵. Additionally though, the qualitative research strategy chosen for this research (constructivist grounded theory as presented in Chapter 3) was found to have been used only four times in connection with considerations of stakeholders, of which none was published in a business or management related academic journal⁴⁶. This approach therefore contributes to addressing a methodological gap as well.

The third gap addressed in this research is related to the entity that assigns stakeholder status with or without salience. It was found that academics often refer to managers in general as being responsible for identifying and/or managing stakeholders. On the other hand, Mitchell and colleagues (2013) were found to have briefly argued that it is the "dominant coalition" (referring to family members) in family firms that determines stakeholder status and salience, and not managers in general. As a consequence, this research aims to close this knowledge gap by investigating which entity, i.e. manager, is more likely to assign stakeholder status in family firms.

Overall, the evaluation of the stakeholder theory and family business literature has resulted in the identification of three gaps in knowledge that are being addressed by this research, and form the basis for developing the aim and objectives (in the form of research questions).

⁴⁵ The authors identified that between 1999 and 2010, out of 656 articles on family business related topics, only 78 were qualitative, of which 41 had been published in the Family Business Review journal.

⁴⁶ Based on a literature search using the keywords "stakeholder" and "constructivist grounded theory" at the time of writing.

The overall aim of this research is to investigate the meaning that is given to future family generations in family businesses as stakeholders.

The first research question is linked with the ongoing academic debate of human versus non-human stakeholders; specifically, future family generations are entities whose members change their status from non-human to human over time:

- 1) *Are these entities (or their members) considered as stakeholders by family firm managers?*

The second research question is linked with the identified issue of appropriateness of using stakeholder attributes to identify and differentiate stakeholders:

- 2) *What are family firm managers' considerations in relation to future family generations?*

The third research question is linked with the lack of clarity from academics on who in a family firm assigns stakeholder status (and/or salience):

- 3) *Which manager in a family firm is more likely to attribute stakeholder status/salience to future family generations?*

Some considerations are excluded from this research from the outset; one key one being decision making. There is no doubt that it would be valuable to answer Frooman's (1999, p.191) posited question:

When seeking to influence firm decision making, what types of influence strategies do stakeholders have available, and what determines which type the stakeholders choose to use?

However, this is not the purpose of the present research, nor is it feasible due to the type of entity being discussed: potentially unborn future family generations. Instead, this research focuses on the meaning and considerations used to create this meaning by family firm employees and, specifically, owner/managers with regard to future family generations. Although the objectives of this research do not extend to decision making, it is interesting to note that Tashman and Raelin (2013) argued that stakeholders potentially have no influence on decision making, consequently rendering the salience model redundant. This appears

especially relevant to unborn future family generations, and thus will be taken into consideration during the data analysis.

In addition, the question of “how” the meaning of future family generations is being constructed, i.e. its process, lies outside the remit of this research. The reason for this is that the researcher would need to consider cognitive processes of the interviewee and similar; a task, which would exceed available resources for this research, mostly in terms of time.

The literature review identified that several academics have made reference to *perceptions* (Agle et al., 1999; Eesley & Lenox, 2006; Mitchell et al., 2011, 1997, 2013) (and in some cases also to *values*). However, it should be noted that none of them have defined this terminology. Moreover, any reference made in the literature review of this research to *perception* or *value* was made in reference to the authors’ use. To clarify this point: this research is not concerned with the theory or the process of perception and/or values or similar. Relevant academic work on perception (McClelland, 1989; Merikle, Smilek, & Eastwood, 2001) or what people pay attention to (Treisman & Gelade, 1980) or similar is therefore not relevant and excluded from any further consideration.

Similarly, several academics have identified enterprise logics (Crilly & Sloan, 2012; Hall et al., 2015) and/or organisational culture (T. M. Jones et al., 2007; Marin et al., 2015; Mitchell et al., 2013) as potentially influencing factors on perceptions, decision-making and/or managerial behaviour more generally. Again, these processes are not part of the remit of this research, but are excluded, specifically considerations of institutional logics. Figure 4 below illustrates how this research fits in with the wider research context, and specifically research exclusions.

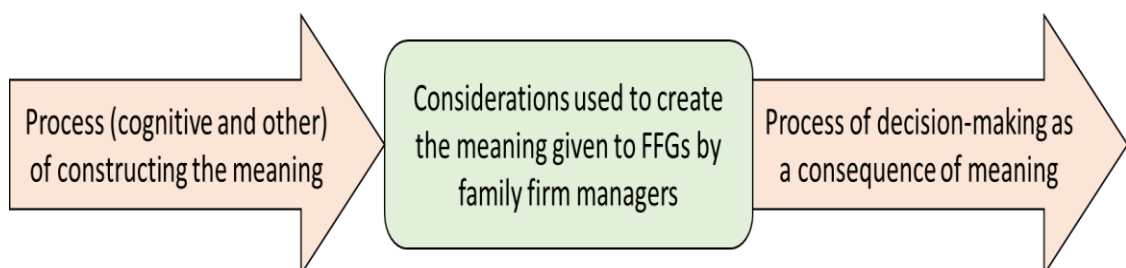


Figure 4 Remit of this research (centre, green) and its exclusions (left and right, red)

In the past, research into stakeholder status, and particularly stakeholder salience, has often focused around large publicly-held organisations for which financial and other (performance) data tends to be more readily available. As a result, a gap in the literature exists for the family business context. This research fills this gap, which Arregle et al. (Arregle et al., 2007) identified, because: “...classical theories designed for widely-held public firms need to be altered to help us understand the operation of family firms” (ibid., p.78).

This chapter has provided an overview of literature identified as relevant for this research prior to its execution. It has focused on the academic work concerned with stakeholder theory and its general approach, and provided an overview of the academic work in the field of family business research. The gaps in knowledge that emerged from the literature review informed the overall aim and initial research questions. The purpose of the following chapter is to provide details on how the researcher approached the research aim and objectives, starting with the theoretical considerations before providing details of its operationalisation.

CHAPTER 3 - RESEARCH STRATEGY – METHODOLOGY AND METHODS

The purpose of this chapter is to provide an overview of the research philosophies, paradigms, methodologies and methods available to researchers, and to offer a justification of the choices made in this research. The chapter is broadly divided into a discussion of the theoretical (philosophical) considerations, and a description of the actual research process, i.e. its execution. The chapter provides the reasoning for using an interpretivist stance, following a constructivist grounded theory strategy as proposed by Kathy Charmaz. The chapter concludes with initially theoretical considerations of the research process before providing details on its execution, specifically addressing the data collection and analysis, and the coding.

The use of Charmaz' grounded theory approach can easily be described as a "messy" path due to the iterative process between data collection and analysis, and the general need in grounded theory to follow emerging categories. Walsh (in Walsh et al., 2015a) similarly argued that interpretivism is generally a "messy philosophical reality" because of the multiple realities that are socially constructed, and "causes and effects cannot be separated" (ibid., p.622). The consequence is a non-linear research process. This chapter, however, provides a summary of the research process in the form of a seemingly linear version of the research execution, focusing on the points regarded as most critical.

3.1 Research Philosophy and Its Paradigms

Research philosophy - the philosophy of science - illustrates the frame for who (we think) we are and how we see the world. The "social position", as Walter (2009) refers to it at the top of her developed social science methodology framework, is based on a certain set of paradigms. She argues that these paradigms ultimately inform the method(s) most suitable to be applied during the research process. However, several academics have offered different views (E. Bell & Thorpe, 2013; Creswell, 2007; Denscombe, 1998), regarding the research

questions, and aims and objectives of the research as the overarching driver of the research strategy and the methods to be employed. Ultimately though, the components of paradigms are similar and are addressed in the following sections; to give a brief overview of key paradigms and worldviews before moving on to the view adopted in this research and its justification.

3.1.1 Research Paradigms

It has been argued that Kuhn's (1996)⁴⁷ book *The Structure of Scientific Revolutions*, originally published in 1962, popularised the use of 'paradigms' in social science research (e.g. Harrington, 2005; Morgan, 2007). However, although Morgan (2007, p.50) seemed to agree with Kuhn's view that paradigms are "a way to summarize researchers' beliefs about their efforts to create knowledge", he is not fully convinced by Kuhn's varied use of the term paradigm. Further, he briefly discussed the issue of different interpretations of the term by prior authors (e.g. Goles & Hirschheim, 2000; Masterman, 1970; Patterson & Williams, 1998), and that in many cases they have used the term paradigm interchangeably with worldview, or an "all-encompassing way [...] of experiencing and thinking about the world, including beliefs about morals, values, and aesthetics" (Morgan, 2007, p.50).

Kuhn, for example, originally referred to paradigms as the "universally recognized scientific achievements that for a time provide model problems and solutions to a community of practitioners" (Kuhn, 1970:viii).⁴⁸ However, Patton (1975, p.1515) argued in line with the findings of Morgan (2007) that a paradigm is "...a worldview, a general perspective, a way of breaking down the complexity of the real world". Burrell and Morgan (1979), in contrast, regarded a paradigm as a "commonality of perspective which binds the work of a group of theorists together" (ibid., p.23), viewing a paradigm in line with Kuhn. However, Burrell and Morgan also stated that "[a]ll social scientists approach their subject via explicit or implicit assumptions about the nature of the social world and the way in which it may be investigated" (Burrell & Morgan, 1979, p.1).

⁴⁷ The 1996 version is the 3rd edition of the 1962 original.

⁴⁸ Interestingly, an associated key assumption made by Kuhn was the notion that new paradigms challenge and ultimately replace existing paradigms in a *revolutionary* way.

More recently, Creswell (1998, as quoted in Morgan, 2007, p.52) stated that “[q]ualitative researchers approach their studies with a certain *paradigm or worldview*, a basic set of assumptions that guide their inquiries”, whereas Silverman (2010, p.109) regarded paradigms as being similar to models, which “provide an overall framework for how we look at reality [...], what reality is like [...] (‘ontology’) and what is the nature and status of knowledge (‘epistemology’).” It is these latter interpretations that are adopted in this research, in part because they eliminate the requirement of having to be “universally recognised” as per Kuhn’s definition, but also because they allow the widening of scope beyond just a “group of theorists” as per Burrell and Morgan’s perspective. Furthermore, they allow the view of the researcher as an individual rather than as an individual part of a group.

Research paradigms in the social sciences have often come in the form of dualisms. At the end of the 20th century several academics such as Patterson and Williams (1998) identified and discussed these dualisms, and identified scholars, including Kuhn (1996), as having used dichotomies to describe the nature of science, but also the concept of validity, via: “rationalism vs relativism; foundationalism vs antifoundationalism; and answer oriented rules vs problem oriented rules” (Patterson & Williams, 1998, p.286). One of the more prominent dichotomical paradigms, developed by Burrell and Morgan in 1979 (Burrell & Morgan, 1979), argued that social (and organisational) theory had to be divided into the nature of social science and the nature of society, each defined by dualisms. Meanwhile, the nature of society was seen as related to either “regulation” or “radical change”, and the nature of social science was divided into subjective and objective. Both sets of assumptions together led Burrell and Morgan to develop a 2x2 matrix that identified four overall research paradigms (see Figure 5, p.81) specified as “mutually exclusive” (Clegg & Hardy, 1999, p.394).⁴⁹

⁴⁹ Although Burrell and Morgan (1979:23) regarded the four paradigms as “distinct entities”, they saw them as “contiguous” in part due to some shared characteristics.

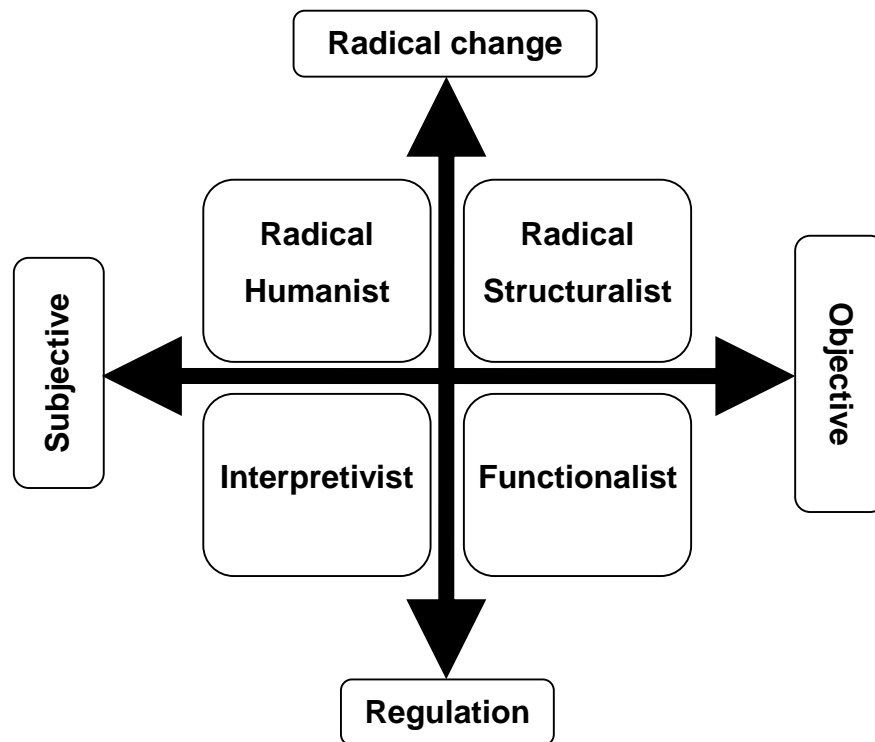


Figure 5 Research paradigm framework by Burrell and Morgan
(source: based on Burrell & Morgan, 1979)

However, the dualism of subjective and objective perspectives in social science such as that proposed by Burrell and Morgan has received criticism. For example, Deetz (1996, p.193) argued that by adopting Burrell and Morgan's solely subjective-objective approach, quantitative studies have to "claim a double (both method and phenomenon) exterior", whereas interpretivists are reduced to a solely interior approach ("an interpretation of an interpreted world") which is usually associated with a qualitative research approach. Unsurprisingly, several academics have therefore demanded a move away from the dichotomy of paradigms (Walsh et al., 2015b) and/or in some cases made suggestions for alternatives (e.g. Cunliffe (2011) promoting "intersubjectivism" to be added). Patton (1975, p.13), for example, had previously already suggested a focus on "the *meaning* of human behaviour, the context of social interaction, an *emphatic* understanding of subjective (mental, not nonobjective) states" while at the same time demanding a scientific approach relying on validity and reliability. He identified the key to this alternative approach as trying "to picture the empirical social world as it actually exists to those under investigation, rather than as the researcher imagines it to be" (ibid., quoting Filstead, 1970, p.4).

Similarly, and partly based on Patton's (1975) work, Morgan (2007), for example, argued for the adoption of a pragmatic approach in social science. In his view, "the usual forced dichotomy between subjective and objective is an equally artificial summary of the relationship between the researcher and the research process" (ibid., p.71). As a consequence, he argued for a pragmatic approach, seen as lying between the subjective and the objective approaches (see Table 7 below). Similarly, Goles and Hirschheim (2000) argued for the pragmatic approach in addition to qualitative and quantitative ones, which are seen as closely linked with the subjective and objective view respectively.

	Qualitative approach	Pragmatic approach	Quantitative approach
Connection of theory and data	Induction	Abduction	Deduction
Relationship to research process	Subjectivity	Intersubjectivity	Objectivity
Inference from data	Context	Transferability	Generality

Table 7 "A pragmatic alternative to the key issues in social science research methodology"
(source: adapted from Morgan, 2007, p.71)

Other academics have used a slightly different approach; instead of arguing for an alternative or third "middle-way" paradigm, they believe in a continuum between the subjective and the objective (Gioia & Pitre, 1990; Goles & Hirschheim, 2000; Newman & Benz, 1998). Interestingly, although Burrell and Morgan (1979) regarded their four defined social theory paradigms as "distinct entities", they saw "subjective" and "objective" as the extremes at each end of their four dimensions, thus clearly also imagining a continuum. In general, the subjective research paradigm is often associated with qualitative studies, while the objective one is associated with quantitative research methods (e.g. Deetz, 1996; Morgan, 2007; Patton, 1975). When academics add a third paradigm, as for example propagated by Creswell (2014), it is often referred to as 'mixed methods', and is identified as pragmatic research paradigm, as discussed above.

3.1.2 Philosophical Worldviews

The assumptions associated with the paradigms established in the previous section form the basis of the philosophical worldview of a researcher. In many cases these are based around the dichotomy of subjectivity versus objectivity (see, for example, Burrell & Morgan's framework from 1979), though some authors have used different terminology as discussed previously. Creswell (2007, p.17) points out that these assumptions can be divided into the following five categories:

- Ontological – What is the nature of reality?
- Epistemological – What is the relationship between the researcher and that being researched?
- Axiological – What is the role of values?
- Rhetorical – What is the language of research?
- Methodological – What is the process of research?

Taken together, these assumptions create a set of theoretical worldviews, with interpretivism at one end and positivism at the other end of a continuous scale. While some studies have used a different approach, the subsequent sections here follow Creswell's categorisation, looking at each category in turn. Each section concludes with why a certain theoretical view is considered in the context of this research.

3.1.3 Ontological Assumptions

Creswell (2007) regarded ontology as the theory related to the question "What is the nature of reality?" Gill and Johnson (2010) phrased the question slightly differently, asking whether an independent external social reality exists; and Burrell and Morgan (1979, p.1) considered "whether the 'reality' to be investigated is external to the individual". Overall, all these questions are incorporated into Walter's definition of ontology as: the "understanding of reality and the nature of being that inform our view of the world" (Walter, 2009, p.14).

Like many other philosophical assumptions, ontological paradigms are traditionally based on dualisms. While several authors have used the terms “subjective” and “objective” (e.g. Burrell & Morgan, 1979), others have preferred “qualitative” and “quantitative” to categorise these assumptions (e.g. Bryman, 2004). The actual terms of these ontological assumptions also vary, as shown in Table 8 below.

	Subjective end of the scale	Objective end of the scale
Burrell and Morgan (1979)	Nominalism	Realism
Bryman (2004)	Constructionism	Objectivism
Easterby-Smith et al. (2008)	Nominalism	Representationalism

Table 8 Ontological terminology – examples

This research uses the terms subjective and objective. Objectivism regards reality as existing externally (e.g. Easterby-Smith et al., 2008), context-free (e.g. Burrell & Morgan, 1979; Norman K. Denzin & Lincoln, 1994) and believes that “the truth is out there to be discovered” (Denzin, 2009, quoting Torrance, 2007). The subjective standpoint, sometimes also referred to as relativism, regards truth as something that “depends on who establishes it” (Easterby-Smith et al., 2008, p.62); and holds that there is no “one” reality, and that everything is socially constructed. As Lincoln, Lynham, and Guba (2011, p.102, the authors based their views on work by Guba, 1990) summarised, “[r]ealities exist in the form of multiple mental constructions, socially and experientially based, local and specific, dependent for their form and content on the persons who hold them”. It is this latter perspective, known as relativism, constructivism or nominalism, that is adopted in this research.

The reason for adopting the subjective stance is in line with Saunders and colleagues’ view, but also that of Denzin and Lincoln (2001). Saunders et al. (2007, p.108) described the subjective stance as a view whereby “social phenomena are created from the perceptions and consequent actions of social actors”, while Denzin and Lincoln (2001, p.19) argued that “[u]sers of this paradigm are oriented to the search for socially-constructed meanings and meaning-making, sense-making activities, rituals, and enactments as well as the

production of reconstructed understandings of the social world.” These statements are consistent with the overall aim and objectives of the present research: Exploring the role future family generations play for managers in family businesses. The research aims to investigate the considerations that managers use about these future family generations, and the meanings they ultimately give to them. Consequently, the subjective ontology is regarded as a good fit with the purposes of this research.

3.1.4 Epistemological Stance

According to Creswell (2007, p.17) epistemology asks: “What is the relationship between the researcher and that being researched?” Conversely, it is also said to ask “what is knowledge” or, as Saunders, Lewis and Thornhill (2007, p.102) phrased it, it is about “what constitutes acceptable knowledge”. Moreover, epistemology concerns how this knowledge is being obtained, and what can be regarded as “true” or “false” (e.g. Burrell & Morgan, 1979). In general, epistemology is regarded as the “theory of knowledge concerned with understanding how knowledge is defined, valued, and prioritised” (Walter, 2009, p.12). As with ontological paradigms, the subjective / objective dichotomy plays a crucial part in epistemology, and as Table 9 below shows, the terminology varies.

	Subjective end of the scale	Objective end of the scale
Burrell and Morgan (1979)	Anti-Positivism	Positivism
Bryman (2004)	Interpretivism	Natural science model, in particular positivism
Easterby-Smith et al. (2008)	Social constructionism	Positivism

Table 9 Epistemological terminology – examples

As with ontology, this research assumes a subjective epistemological perspective. The subjective view, which from now on is referred to as interpretivism, places its emphasis on “social actors”. Saunders et al. (2007) used the example of an actor to explain what is meant by “social actors”, but also to explain some underlying assumptions of the interpretivist stance. Saunders et al. (2007) put forward the metaphor of a theatrical actor who interprets their role

in a certain way, based on their views and those of the director. However, when a person in the audience sees the play, s/he also interprets what they see on stage, based on their own values and beliefs. Thus, the person interprets an already-interpreted role. Furthermore, by interacting with these actors, here representing the “social actors”, the person initiates a reflexive process which may lead to modified personal views and/or meanings.

Another key element within the interpretivist epistemology are the assumptions made regarding facts. Easterby-Smith et al. (2008) suggested thinking in terms of how one sees facts, positing that, while positivism assumes that facts “are concrete, but cannot be accessed directly”, the social constructivist⁵⁰ sees facts as “all human creations” (ibid., p.62). Consequently, as an interpretivist, it is assumed that norms are socially constructed and that they “influence the production of knowledge and valid knowers” (Walter, 2009, p.12).

The relevance of the interpretivist view to this research is twofold. Knowledge in this research context is not measurable, but something requiring identification via exploratory approaches. This research is about gaining insights into the values, norms, etc. of managers via discourse, e.g. how they see future family generations. Secondly, it is about how these social actors (i.e. managers) assign a certain meaning to future family generations. The subjective, or interpretative, view is thus regarded as suitable for this research.

3.1.5 Axiology

Creswell (2007, p.17) suggested that axiology concerns the role of values. Bryman (2004, p.21) stated that “values reflect either the personal beliefs or the feelings of a researcher”; and in Walter’s words, axiology is the “theory of values that inform how we see the world and the value judgements we make within our research” (Walter, 2009, p.13).

While positivism assumes that “only phenomena that you can observe will lead to the production of credible data”, and that research is “value-free” (Saunders et

⁵⁰ Easterby-Smith et al. (2008) use the term “social constructivism” rather than “interpretivism”.

al., 2007, p.103) and independent, interpretivism, the perspective adopted in this research, assumes the opposite: that research is not value-free or independent, and that the researcher plays a key role in the research process.⁵¹ In fact, this philosophical stance assumes that it is the researcher's values that are likely to create a bias and thus may be reflected in the research output. However, with the influence of those values also comes the need for reflexivity, i.e. the need for the researcher to be aware of their own values and responses to interactions with others, such as the research participants. Or, as Lincoln et al. (2011, p.109) put it, values "[a]re personally relative and need to be understood [and they are i]nseparable from the inquiry and outcomes".

This research assumes a subjective view of ontological and epistemological paradigms. It therefore assumes that reality is socially constructed and that multiple realities exist, to which, as is explained above, the researcher is exposed. As a consequence, it is necessary for the researcher to be aware of making interpretations based on their own values and judgements rather than interpretations made by the subjects studied.

3.1.6 Rhetorical assumptions

Creswell (2007, p.17) argues that rhetorical assumptions concern the language of research. He points out that as part of the writing process, the researcher needs to adopt language in line with their philosophical worldview. This research adopts the interpretive stance, so it is not appropriate to refer to positivistic terminology such as *measures*, *reality*, or similar. Instead, it involves exploring, comparing, contrasting, and describing the (internal) views of social actors, which ultimately must be reflected in the wording.

3.1.7 Methodology

Creswell (2007, p.17) states that methodology is the process of research. Saunders et al. (2007, p.602) use a similar definition, concerning "how research

⁵¹ It should be noted that "value" in this context refers to the values of the researcher only and not the researched subjects.

should be undertaken". For Walter (2009), it is a framework that incorporates the researcher's "social position" and standpoint, epistemology, ontology, axiology, and ultimately their methods. However, Hammond and Wellington (2013) (and to a certain degree Saunders et al. (2007)) disagree with that view. They regard methodology as lying in between the top level containing epistemological and ontological perspectives and the research question, and the bottom level, which holds the "research methods, the tool for collecting data" (ibid., p.109). For Hammond and Wellington (2013, pp.109-110), methodology must also address the theoretical position, the "exercise of reflexivity and an awareness of ethical issues" while at the same time not neglecting issues of validity or, for interpretivists, "trustworthiness".

In many cases, methodology is narrowed down to the dichotomy of qualitative and quantitative (research). Although a movement towards a third alternative, mixed methods, has gained popularity in recent times, many authors still use a dualistic perspective. Nevertheless, some studies have addressed the topic. For example, Easterby-Smith et al. (2008) refer to the third paradigm as relativism in both ontological and epistemological stances. Other scholars refer to it as realism from an epistemological stance and pragmatism from an ontological stance (e.g. Saunders et al., 2007). The subject of methodology and methodological assumptions is deferred at this point to a later sub-chapter, due to its importance and the need for more detail on the issue.

3.1.8 Interpretivism versus Positivism

The previous sections have highlighted that terminology can be ambiguous in that different scholars use different phrases at different times. While some focus on the terms subjectivity and objectivity (such as Burrell and Morgan (1979), but also Bryman (2004) and Lincoln, Lynham, & Guba (2011), others use positivism and (social) constructivism or interpretivism (e.g. E. Bell & Thorpe, 2013; Alan Bryman, 2004; Easterby-Smith et al., 2008; Layder, 2006; Lincoln et al., 2011; Saunders et al., 2007). Some refer to the ontology of a constructivist as relativist (e.g. Denzin & Lincoln, 2011), as the belief of such a researcher is that there are multiple realities.

Of particular interest to this research is the “subjective side” of the worldview, related to the use of interpretivism and (social) constructivism. Hammond and Wellington (2013) argued that some scholars regard (social) constructivism as a subset of interpretivism, whereas others see it as the opposite relationship, and some as being used interchangeably (e.g. E. Bell & Thorpe, 2013; Creswell, 2007; Norman K. Denzin & Lincoln, 2011; Easterby-Smith et al., 2008; Saunders et al., 2007; Schwandt, 1994). It is therefore necessary, for consistency purposes, to clarify that this research adopts the terminology of interpretivism and positivism, each lying at the extreme end of the philosophical continuum. Social constructivism is regarded as a subset of the interpretivist paradigm.

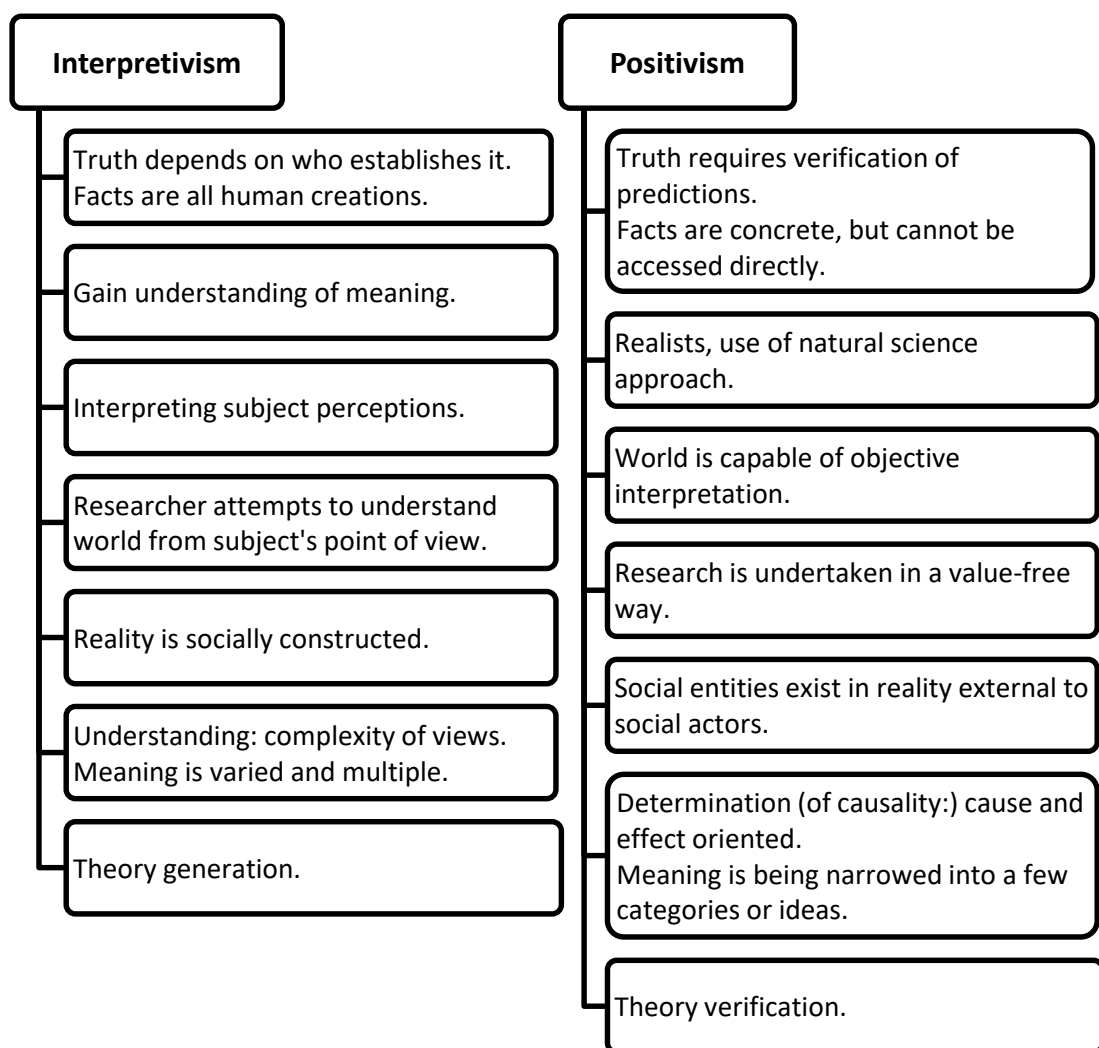


Figure 6 Comparison of some of the key features of interpretivism and positivism (source: based on various authors, as stated subsequently)

Several authors have attempted to summarise the key features of these two worldviews. Based on various studies (Creswell, 2007, 2014; Denzin & Lincoln,

2011; Easterby-Smith et al., 2008; Hammond & Wellington, 2013; Saunders et al., 2007), this research assumes the points summarised in Figure 6 (p.89).

There is no doubt that each of these positions at the end of the philosophical continuum has its strengths and weaknesses. Focusing only on the view taken in this research, i.e. interpretivism, Easterby-Smith and colleagues (Easterby-Smith et al., 2008, p.73) summarised strengths and weaknesses as shown in Figure 7 below.

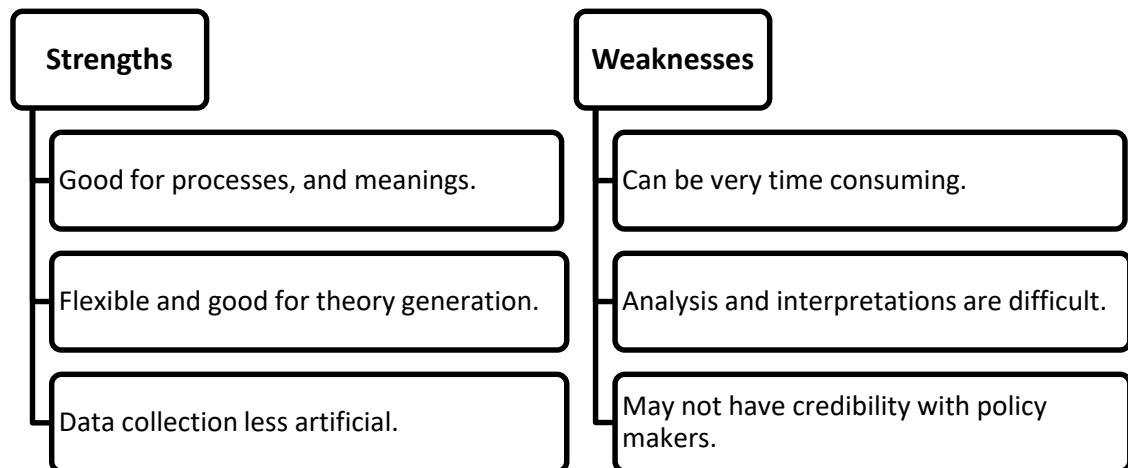


Figure 7 Advantages and disadvantages of interpretivism
(adapted from Easterby-Smith et al., 2008, p.73)

While the present researcher has to acknowledge and avoid the stated weaknesses, the basic assumptions underlying the interpretivist point of view are regarded as fitting with this research and are, in summary (based largely on Easterby-Smith et al., 2008, pp.58-59, but also Guba & Lincoln, 1994, p.112 and Lincoln et al., 2011, p.110):

- Overall inquiry aim: understanding and/or reconstruction
- Independence: The researcher is not independent from the researched or what is being observed.
- Inquirer posture: A co-constructor of knowledge, of understanding and interpretation of the meaning of lived experience.
- Causality: The aim of the research is not to identify cause and effect, but to gain understanding ('verstehen').
- Research progression: Inductive; data is being collected that creates ideas and generates theories

-
- Context: The context of the research is vital and must be considered during the research process (in data collection as well as analysis)
 - Generalisation: Generalisation is not possible, only theoretical abstraction
 - Goodness or quality criteria: trustworthiness and authenticity (instead of rigour: validity, reliability, objectivity)
 - Sampling: More likely to be a small number of cases, chosen for specific reasons.

Overall, the interpretivist is “more interested in ‘understanding’ (from the inside) than in ‘explaining’ (from the outside)” (Harrington, 2005, p.111). Specifically, this approach is about “understanding [*verstehen*] the complex world of lived experience [*Erlebnis*] from the point of view of those who live it” and the meaning that is given to a situation by others must be interpreted (Schwandt, 1994, p.118).

3.1.9 Fit with Research - Interpretivism

The interpretivist view is regarded as aligned with the present researcher’s beliefs, but also, and possibly more importantly, with the research’s aim and objectives. This research aims to explore how managers perceive future family generations. More specifically, it aims to investigate the role assigned to future family generations as stakeholders in their own right, i.e. what meaning is being given to them. The research is consequently in line with Denzin and Lincoln, in that the interpretivist aims to “gain understanding by interpreting subject perceptions” “through [the] meaning of phenomena” (Denzin & Lincoln, 2011, pp.102&106); while “[t]he constructed meaning of actors are the foundation of knowledge” (ibid., p.106).

Walter (2009, p.17) described the interpretivist paradigm as “concentrat[ing] on social agency” and “emphasis[ing] the meanings individual actors give to social interactions, and the use of symbols, such as language, in the creation of that meaning”, while at the same time being based on a “shared understanding”. Due to the nature of unborn future family generations (one specific type of future family generations), it is not possible to investigate the social interactions between this group and family firm managers. However, a vital clue may be found in the concept of shared understanding, which may be related to the business system

or, more likely, to the family system. One such shared understanding may be related to socio-emotional-wealth (SEW) in family firms, as has previously been identified by various researchers (e.g. Berrone et al., 2012; Gomez-Mejia et al., 2011, 2007; Marques, Presas, & Simon, 2014). It was argued by these studies that the concept of SEW is partly linked with transgenerational issues, such as succession, but also with the pursuit of non-economic goals, ultimately leading to the long-term orientation (LTO) of family firms.

However, as Goles and Hirschheim (2000, p.253) stated, the “interpretivist paradigm seeks explanation within the realm of individual consciousness and subjectivity, and within the frame of reference of the perspective...”. It is most likely that the “frame of reference” can be identified as the family firm, while the perspective is related to the family system, family values, and beliefs. This is not necessarily done in an actively conscious manner, however; it is thus necessary to look at the individual’s consciousness in two ways in this research. For one, it is important to investigate the role which future family generations play for managers. That is, are (especially unborn) future family generations given stakeholder attributes as was seen, for example, in the stakeholder salience model developed by Mitchell et al. (1997)? On the other hand, it is necessary to investigate whether or not unborn future family generations are already being considered by managers in terms of transgenerational issues such as succession. The latter point is linked to a view expressed by Deetz in relation to the interpretivist stance, that: “the emphasis is on a social rather than economic view of organizational activities” (Deetz, 1996, p.201).

In addition to the above considerations, a point made by Layder (2006) regarding interpretivism is also relevant to this research: “[T]he researcher is charged with attempting to get as close as possible to the subjects of analysis and to give an ‘insider account of what it is like to be a member of a particular group’ (ibid., p.77). To gain an understanding of the roles and meanings which both born and unborn future family generations are assigned by managers, it is vital to get close to the subject of analysis: in this case, managers. It would not be possible to gain this in-depth understanding from 3rd party documents or similar, as it can only be gathered through in-depth communication with the relevant individuals themselves.

The present research is also concerned with investigating values. As the interpretivist researcher assumes a view that the researcher is not independent of the observed, and the present research is about investigating the values of the research participants, it is necessary to discuss potential issues around those values in more detail. As a consequence, this research does not adopt the suggested framework of ontology, epistemology, human nature and methodology proposed by Burrell and Morgan (1979). Instead, it follows the views of, for example, Bryman (2004) and Walter (2009), who both suggested an axiology, or theory of values, in addition to an ontology and epistemology. It follows that it is necessary to incorporate reflexivity considerations at all stages of this research – as will be provided, for example, in Chapter 3 Sections 3.4.5 and 3.6.

3.2 Methodology – Qualitative Research and its Traditions

The previous sub-chapter addressed the research philosophy concept, explored its paradigms, and explained why the paradigm of interpretivism was chosen for this research as the most appropriate for the investigation at hand. This subchapter now addresses the choice of methodology and its reasoning. It is argued that qualitative research is the most appropriate methodology, with (constructivist) Grounded Theory (GT) being the best fit. This sub-chapter provides an overview of the key traditional qualitative methodologies including grounded theory in general, and a brief explanation of why GT is regarded as the best fit for this research project. More detail on grounded theory and grounded theory methods (GTM) is provided in the subsequent sub-chapter.

3.2.1 Why Qualitative Research?

This research follows several authors (E. Bell & Thorpe, 2013; Corbin & Strauss, 2008; Creswell, 2007; Denscombe, 1998; Hammond & Wellington, 2013) in the methodology it adopts, in that it must always be based on the theoretical paradigms applied in the research while at the same time being informed by the overall research questions, ultimately leading to the research methods chosen for the research. Qualitative research was found to be the best fit for several reasons, and is briefly discussed in the following paragraphs.

Firstly, this research adopts an interpretivist view, which fits with the way qualitative research is commonly used: a subjective lens is applied to data, that is, the world is seen through the eyes of an interpreter who socially constructs it (Bryman, 2001). Several studies have identified the mutual suitability of an interpretivist view and qualitative social research (methods) (e.g. Creswell, 2014; Deetz, 1996; Morgan, 2007; Patton, 1975; Walter, 2009). Some examples include Marshall and Rossman (2010, p.2), who noted that qualitative research focuses “[...] on context, is emergent and evolving, and is fundamentally interpretive”. Furthermore, in their view, the researcher is seen to “view the social worlds as holistic and complex, engage in systematic reflection on the conduct of the research, remain sensitive to their own biographies / social identities and how these shape the study (i.e. they are reflexive)...” (ibid., p.2). Similarly, “[q]ualitative research [...] is carried out in ways that are sensitive to the nature of human and cultural social contexts...” (Altheide & Johnson, 1994, p.488), and further, it “is based on the view that the social world is an interpreted world” (ibid., p.489). In the context of this research, the latter relates to family firms, but also more generally to considerations of managers of future family generations.

Secondly, and potentially even more important to consider, is the purpose of using qualitative research: to investigate the “how” and “why” of an issue or phenomenon. In contrast to quantitative research, which focuses on a deductive approach that is about “explaining”, the qualitative approach is about “understanding” (e.g. Gill & Johnson, 2010). Furthermore, qualitative research is regarded as being “grounded in the lived experiences of people” (Marshall & Rossman, 2010, p.2); Hamilton (1994) took a similar view, and saw this as an important part of the qualitative approach. The present research focuses on the question of why future family generations are seen in certain ways by certain people in family firms and, therefore, qualitative research is a good fit. Furthermore, qualitative research was identified as being interested in how (social) experiences are created, and, more relevant to this research, the meaning given to them (Creswell, 2007; Denscombe, 1998; Denzin & Lincoln, 1994, 2011; Marshall & Rossman, 2010); specifically in this research, the meaning given to future family generations.

On a more generic level, qualitative research is commonly based on an inductive approach, i.e. it is used to generate theory (e.g. Corley, 2015). The initial literature review identified a lack of consideration for, and inclusion of, future family generations as stakeholders, but also a lack of understanding of their role and potential importance, or in other words salience, for the family firm. Thus, investigating the “meaning and the way people understand things” (Denscombe, 1998, p.207) via “a set of interpretive activities” (Denzin & Lincoln, 2011, p.6) by using a certain sample or group of people not previously studied (Creswell, 2014) as part of qualitative research enables the modification of an existing theory: in the present research, stakeholder (salience) theory.

However, it is also worth noting that while there are many reasons why qualitative research is a good fit and many advantages to its use, there are also disadvantages that require consideration during data collection and analysis. The key points (advantages/disadvantages) are summarised in Table 10 below.

Advantages	<ul style="list-style-type: none"> ▪ The data and analysis are ‘grounded’ (in reality) ▪ There is a richness and detail to the data; useful for complex social situations ▪ There is tolerance of ambiguity and contradictions; (multiple) social realities are being investigated ▪ There is the prospect of alternative explanations; any explanation is specific to the researcher and/or the interpreter, thus multiple “realities” may exist
Disadvantages	<ul style="list-style-type: none"> ▪ The data may be less representative; issue of generalizability ▪ Interpretation is bound up with the ‘self’ of the researcher; researcher’s reflexivity is crucial and necessary ▪ There is possibility of decontextualizing the meaning; context is crucial during the coding and categorisation process ▪ There is the danger of oversimplifying the explanation; risk of disregarding data that does not fit with developed concept/theory

Table 10 Generic advantages and disadvantages of qualitative research
(source: Denscombe, 1998, pp.220-222)

Lastly, qualitative research is useful when it is unclear upon beginning the research which specific questions to ask because of unknown variables, context or other reasons (e.g. Smith & Bowers-Brown, 2010). These arguments all apply to this research as the aim is to investigate the role that future family generations play in family firms as stakeholders, and the meaning given to them.

3.2.2 Overview of Key Qualitative Traditions

The previous section identified and justified why qualitative research is regarded as the best fit for this research. This and following sections deal with qualitative research traditions, the “strategy of inquiry” (Denzin & Lincoln, 2001, p.24), and the methods employed in the execution of this research. The grounded theory (GT) “paradigm” (as referred to by Walsh and Holton in Walsh et al., 2015b) is established as the most appropriate approach based on the assumption that a research’s aim and objectives guide both methodology and methods, i.e. its data collection and data analysis processes, tools and techniques; it is a “truism that research methods should be chosen based on the specific task at hand” (Silverman, 2010, p.115). The following paragraphs provide an overview of the key qualitative research traditions and explain why all but grounded theory are seen as less or not appropriate for this research.⁵²

Creswell (2007) argued that strategies of inquiry can be categorised in many ways; studies have categorised them according to the “central interest of the investigator” (Creswell, 2007, p.6, the authors based their views on work by Tesch, 1990); or by data collection, or according to the focus of the research, besides other approaches. In 1994, for example, Denzin and Lincoln proposed the following strategies of inquiry: case study; ethnography and participant observation; phenomenology, ethnomethodology, and interpretive practice; grounded theory; biographical method; historical method; applied and action research; and clinical models (ibid., pp.202-207). Morse (1994) suggested a categorisation into phenomenology, ethnography, grounded theory, ethnoscience, and qualitative ethology and participant observation, omitting case studies. More recently, Denzin and Lincoln (2011) used a slightly different categorisation, discussing case study, (performance and narrative) ethnography, grounded theory, and what they summarised as “analyzing interpretive practice” (ibid., p.248). Most of these examples have five categories in common, which Creswell (2007; 2012; 2014) regarded as the most important and relevant in qualitative research: narrative research, phenomenology, grounded theory,

⁵² Walsh and colleagues (Walsh et al., 2015a, 2015b) and Smith (A. Smith, 2015) recently argued that the definition of “qualitative research” should be reconsidered, especially in the context of GT (in their view GT is not a qualitative methodology, but can be applied to all types of data). This research follows the previously used interpretation of “qualitative data”, in the sense that it uses interpretative methods (Locke, 2015); but acknowledges the point raised by these academics.

ethnography and case studies. These five are therefore each briefly discussed with a specific focus on grounded theory. Table 11 (pp.98-100) provides an overview of their key features.

	Narrative Research	Phenomenology	Grounded Theory	Ethnography	Case Study
Origin/ background of approach	Humanities, anthropology, literature, history, psychology, sociology.	Philosophy, psychology, education.	Sociology.	(Social) Anthropology, sociology.	Psychology, law, political science, medicine.
Key concern	Best for capturing the detailed stories of life experiences of a single life or the lives of a small number of individuals.	Concerned with the “examin[ation of] how human beings construct and give meaning to their actions in concrete social situations” (Denzin & Lincoln, 1994, p.204). It focuses “on people’s consciousness, perceptions and experience – how they understand their world” (Layder, 2006, p.91). It is all about “how the social world appears to the individual”, thus rejecting “social structures as external” (ibid., p.92). Meaning is ascribed in retrospect, via interpretative processes, i.e. interaction between the objective and the subjective.	Useful approach when a theory is not available to explain a process. Existing models were not developed/ tested for research in question. Theory is needed in order to explain how people are experiencing phenomenon, and the grounded theory developed by the researcher will provide such a general framework.	“Literally means a description of peoples and cultures” (Denscombe, 1998, p.68). Its aim is “to find out <i>how the members of the group/culture being studied understand things</i> , the meanings <i>they</i> attach to happenings, [and] the way <i>they</i> perceive their reality” (Denscombe, 1998, p.69). Suitable when it is necessary to describe how a cultural group works and to explore its beliefs, language, behaviours, and issues such as power, resistance, and dominance.	Seen as useful and suitable when the “spotlight [is] on one instance” and requires in-depth study (Denscombe, 1998, p.34). A “case study is not a methodological choice, but a choice of object to be studied” (Stake, 1994, p.236); and is about “What can be learned from the single case?” (Stake, 1994, p.236). It is about the “understanding [of] an issue or problem using a case as a specific illustration” (Creswell, 2007, p.73).

	Narrative Research	Phenomenology	Grounded Theory	Ethnography	Case Study
Who will be studied?	One or more individuals.	Several individuals.	Several or many individuals.	A group of people or a culture.	More than one individual as part of a case.
What will be studied? Research focus?	An experience. Exploring the life of an individual.	A shared experience/ lived phenomenon. Understanding the essence of the experience; a phenomenon. "Reflexivity of social interaction" plays a key role (Holstein & Gubrium, 1994, p.270)	A process, action, or interaction (not theme/topic or structure). Developing a theory grounded in data from the field.	Shared patterns of culture. Describing and interpreting a culture-sharing group.	An event, program or activity, or process or individual (or any other specifiable object). In Stake's (1994) view, a case is only of value if "the object of study is a specific, unique, bounded system" (ibid., p.237).
Suited best for	Stories of individual experiences.	Describing the essence of a lived phenomenon.	Grounding a theory in the views of participants.	Describing and interpreting the shared patterns of culture of a group. Morse (1994, p.224): when the researcher is interested in "values, beliefs, [or] practices of cultural groups".	Providing an in-depth understanding of a case or cases.
Position of the researcher	Active participant during interviews, but also influence on re-telling the story.	"value-free" as much as possible a priori.	"Neutral" as much as possible; somewhat dependent on type of GT applied.	Active or passive participant/observer.	Dependent on the type of case study.

	Narrative Research	Phenomenology	Grounded Theory	Ethnography	Case Study
Examples of key scholars or literature (past and more recent)	Clandinin & Connelly (2000)	Husserl (e.g. Husserl, 1986; Layder, (2006); Husserl, 2012) ⁵³ , Schuetz (e.g. Schütz, 1932, p.III; Schütz, 1967, p.xxii), Weber, Moustakas (1994)	Glaser & Strauss (e.g. 2012), Corbin (e.g. Strauss & Corbin, 1994), Morse (e.g. Morse et al., 2009), Charmaz (e.g. 2000, 2014a), Thornberg (e.g. 2012)	Wolcott (1999), Gold (1958), Hammersley & Atkinson (1994)	Eisenhardt (1989), Stake (1994), Yin (2009)
Output	Developing a narrative about the stories of an individual's life.	In-depth reflective description of the essence of the experience.	Description of the social psychological process in the experience; generating a theory illustrated in a figure.	Description of the day-to-day events of a culture-sharing group.	Developing a detailed analysis of one or more cases.

Table 11 Key features of qualitative research approaches
(source: adapted from Creswell, 2007; 2014; Denzin & Lincoln, 1994; 2011; Morse, 1994 and others as referenced)

⁵³ Some of Husserl's work was based on the ideas of Immanuel Kant regarding transcendental idealism. It may thus be argued that Kant was one of the forefathers of phenomenology; though there is no doubt that Husserl was led in taking it to its present status.

Table 11 highlights the key descriptive points of each of the dominant qualitative research traditions, and briefly outlines how they differ from one another in key areas. However, all but grounded theory were identified as unsuitable for the present research due to the following key considerations:

- Narrative approach: focuses on an individual's life story, which this research does not.
- Phenomenology: has some overlap with the aim of this research in trying to understand the features of a phenomenon. However, it assumes a common or shared experience, as pointed out for example by Cooney (2009) which is not the case for this research; the present focus is on the (different) views of people working for different family firms.
- Ethnography: similarly to phenomenology, has some overlap with the aim of this research. However, as it focuses on the shared pattern(s) of a group of people or a culture, it is not regarded as suitable. Furthermore, the key sampling technique is observation, which is not feasible in exploring the meaning given to future family generations, something that cannot be directly observed.
- Case studies: are a potential route as they can, for example, concern a certain process (such as giving meaning to future family generations) and allow for theory building and/or testing. Furthermore, they can provide in-depth understanding of specific cases, and allow the linking of causes and outcomes. The key downside is the requirement for a clear boundary or boundaries. At the outset of this research project, however, it was not possible to identify clear boundaries, e.g. what (type of) meaning may be given to future family generations, and thus not possible to identify suitable cases, i.e. family firms.

The following sub-chapter provides an overview of the basic assumptions in Grounded Theory as well as some brief history, and addresses why (constructivist) GT is regarded as most suitable for this research project.

3.3 **Grounded Theory – Generic Considerations**

This sub-chapter on grounded theory provides a general background, traces some key developments over time, and explains the differences and similarities between key variations. Moreover, it provides the justification for choosing a constructivist grounded theory approach, in line with Kathy Charmaz' view, having identified it as the most appropriate for this specific research.

3.3.1 **Developments of Grounded Theory (GT) Over Time**

The foundations of grounded theory (hereafter sometimes referred to as GT) go back to the late 1960s, when Glaser and Strauss (2012)⁵⁴ wrote the seminal book: "The Discovery of Grounded Theory: Strategies for Qualitative Research" (1967). In it, their view of grounded theory as a "general method of comparative analysis" (ibid., p.1) is set out, but also the aim to "clos[e] the embarrassing gap between theory and empirical research" (ibid., p.vii). Their publication established GT as a research option (Mills, 2013; Walsh et al., 2015b). In its origins as described by Glaser and Strauss, GT was based on the iterative process of data collection and analysis (see also Charmaz, 2011). Its purpose was to investigate factors, concepts, etc., and to compare these while theory was emerging in parallel (see also e.g. Glaser, 1965; Layder, 2006). However, over the years, Glaser and Strauss disagreed on some aspects of the original concept of GT. For example, while Glaser continued to emphasise the need to start without a theory or prior concepts, Strauss, together with Corbin, modified the original idea by allowing the elaboration or modification of an existing theory (e.g. Corbin & Strauss, 2008; Strauss & Corbin, 1994)⁵⁵.

More recently, grounded theory saw a dramatic modification by adopting a somewhat constructivist view (Charmaz, 2011). Kathy Charmaz has been a key driver behind that movement. In her opinion, constructivist GT "assumes that people construct both the studied phenomenon and the research process through their actions" (ibid., p.360), in contrast to the original GT perspective that the

⁵⁴ The reference to Glaser & Strauss, 2012 is in fact the 7th paperback edition of the original text from 1967.

⁵⁵ See also, for example, Jones and Alony (M. Jones & Alony, 2011), for a differentiation between Glaserian and Straussian GT.

researcher should remain neutral (Charmaz & Bryant, 2011). Furthermore, Charmaz argued that “constructivist grounded theory views knowledge as located in time, space, and situation, and takes into account the researcher’s construction of emergent concepts” (Charmaz, 2011, p.365). “We [the researchers] exist in a world that is acted upon and interpreted – by our research participants and by us – as well as being affected by other people and circumstances” (Charmaz, 2009, p.131). This is not necessarily different from Strauss and Corbin’s (1994, p.280) approach, as they emphasised the need for “multiple perspectives [that] must be systematically sought during the research inquiry”.

Overall, there have been various developments in GT over the years, as illustrated in Figure 8 below. However, the more recent development of constructivist GT has extended the existing GT continuum away from a positivistic approach to the other end of epistemology – a relativist perspective.

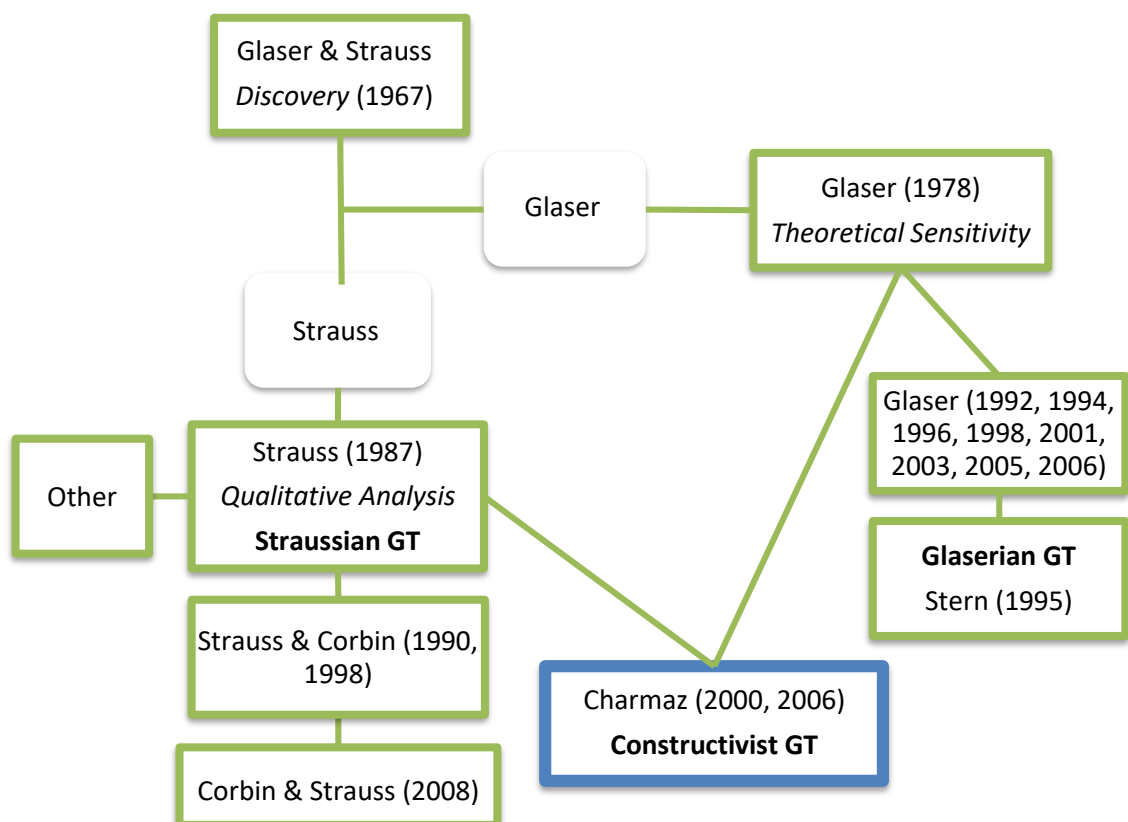


Figure 8 Developments and variations in GT
(adapted from Morse et al. (2009, p.17)

3.3.2 Core Assumptions and Elements – Similarities and Differences

Denzin and Lincoln (1994, p.204) have argued that “grounded theory may be the most widely employed interpretive strategy in the social sciences today” (see also Norman K. Denzin & Lincoln, 2011; Norman K. Denzin, 1994); or, in the words of Corley (2015): “Grounded Theory approaches to organizational research have proven to be some of the most powerful forms of inquiry we have into modern organizing and organizations.” (ibid., p.600).

In Denzin and Lincoln’s (1994) view, GT’s key advantage lies in its ability to “explicit[ly] commit to theory development and theory verification” (ibid., p.204). Holton (in Walsh et al., 2015a) similarly observed that “grounded theory’ refers to a specific set of fundamental principles and guidelines for applying those principles to the discovery of theory from empirical data” (ibid., p.624). However, Corley (2015) expressed his view of GT this way (ibid., p.600): “The heart and soul of GT methodologies lies in *engaging a phenomenon from the perspective of those living it*, which means it is most suited toward inductive examinations seeking deep insight into a phenomenon and its connections with the context.” And Gibbs (2015) recently expressed the view that the common core elements of grounded theory are as follows:

- Inquiry shaped by the aim to discover social & social psychological processes;
- The data collection and analysis phases of a project proceed simultaneously;
- The analytical process employed prompts theory discovery and development rather than verification of pre-existing theories; thus, it is inductive;
- Theoretical sampling: “is led by theoretical idea[s]”; so it refines, elaborates and exhausts conceptual categories.

Mills (2013) saw the commonalities of different GT variations this way: “The final product [is...] an integrated and comprehensive grounded theory that explains a process or scheme associated with a phenomenon”. However, Mills’ statement is dependent on the individual author’s view of the world. For example, for Mills (2013), who favours a Glaserian GT, GT is mostly about the process, in other words, finding out how something works. This requires the researcher to hold the basic assumption that a process - and thus reality to some degree - can be *found* in the first place, a view which not all academics subscribe to, as in this research.

It is a point that was indirectly raised by Holton (in Walsh et al., 2015a) as well when stating that “[c]lassic grounded theorists do not confine grounded theory to an interpretivist paradigm” (ibid., p.624).

Although Walsh (in Walsh et al., 2015b) acknowledged the influence of the researcher’s view when stating that grounded theory “has different meaning to different people” (ibid., p.582), Holton (in the same article) pointed out that the fundamental features of GT can be summarised as “emergence, theoretical sampling, and constant comparison” (ibid., p.586).

On a high level, GT variants can be divided into positivist and interpretivist approaches as posited by Natalia Levina (in Walsh et al., 2015b). Cooney (2009, p.11) similarly argued that the differences between the key GT variants are the consequences of differences “around beliefs about and approaches to analysis”. Although Walsh (in Walsh et al., 2015a) generally agrees with the latter two views, she suggests that theory-driven confirmation is not part of GT, thus contradicting a positivist GT approach. Instead, she suggests that GT is always predisposed towards data-driven exploration, but may lean towards either a “search[] for universal laws” or, alternatively, a consideration of “settings and context” (ibid., pp.622 and 623). Gibbs (2015) expressed the contrasting view that the key differences can be summarised as follows:

- Glaser: the theory should emerge by constant comparison - it should not be forced;
- Strauss and Corbin: GT is prescriptive - it develops categories;
- Charmaz: categories and theory are being constructed by the researcher - a view in line with the general constructivist view of the world which assumes that individuals socially construct, i.e. create, their social reality.

Charmaz - whose constructivist GT approach is used in this research – holds a similar view to Gibbs regarding the differences between GT variants. However, she has pointed out that studies promoting the different versions of GT ask different questions (The British Sociological Association, 2012), thus returning to Cooney’s point in 2009.

For example, Charmaz argued in 2012 that:

- Glaser & Strauss (1967) asked: What is this data a study of?
- Glaser (1978) asked: What do the data suggest? Pronounce? Assume? From whose point of view? What theoretical category does this datum indicate?
- Corbin & Strauss (2008) asked: When, how, and with what consequences are participants acting?

As this research adopts a constructivist grounded theory approach as promoted by Kathy Charmaz, the following section focuses on her variant of GT and her views regarding its uses.

3.3.3 Charmaz' Constructivist Grounded Theory Approach

At the time of writing, Kathy Charmaz has been developing constructivist grounded theory for more than a decade. She has stated (The British Sociological Association, 2012) that she has been influenced by the initial work on GT by Glaser and Strauss from 1967 (Glaser & Strauss, 2012), and her subsequent academic relationship with each, at different times in her life. However, she also identified that Kuhn (e.g. Kuhn, 1996), and the work of social interactionists such as Dewey and Mead and others influenced her personal views and approaches to research, eventually leading to the development of constructivist grounded theory. Interestingly, Charmaz distinguishes her constructivist approach from social constructionism in two ways. She argued in 2009 that the key difference between social constructionism and her approach was that the former only considers “the research participants’ actions as constructed” while the latter considers the “researcher’s actions and situations” too (Charmaz, 2009, p.134). In addition, she argued that her approach “position[s] the research relative to the social circumstances impinging on it” (ibid.); that is, “data collection [is] located in temporal, spatial, social and situational conditions” (Charmaz & Bryant, 2011, p.298). Although Charmaz appears to have been developing constructivist GT since around 2000, her more

influential and detailed work on the subject was published from 2006 onwards (e.g. Charmaz, 2008a, 2008b, 2009, 2014a)⁵⁶.

Charmaz comprehensively summarised a GT research approach in general as follows (Charmaz, 2011, p.361): “[...] the logic of grounded theory involves fragmenting empirical data through coding and working with resultant codes to construct abstract categories that fit these data and offer a conceptual analysis of them. [...] Grounded theorists start with empirical specifics to move toward general statements about their emergent categories and the relationships between them”. Charmaz, together with Bryant (Charmaz & Bryant, 2011), further argued that “[g]rounded theory is a method of theory construction in which researchers systematically develop a theory from the collected data” (ibid., p.291).

In 2012, Charmaz provided in-depth insight into grounded theory in general, and her newly-developed constructivist grounded theory in particular, during a presentation and subsequent Q&A session (The British Sociological Association, 2012). In her view, “GT gives you tools to answer *why* questions from the interpretive stance”. Coding can/should be done either line-by-line, incident by incident, and/or situation by situation, enabling the “study and use [of] your emerging analysis to focus data collection” (ibid.). Charmaz regards GT as a “method of process but also a method in process” that can be used at various levels of analysis, e.g. the individual, a situation, an organisation, etc. She argues that “[g]rounded theory methods consist of a systematic approach to inquiry for the purpose of theory construction. The method includes several key strategies for conducting data collection and analysis: Inductive, abductive, comparative, interactive, iterative”.

For Charmaz, theory development is equal to abductive reasoning (Charmaz, 2011). Further, “[a]bductive [is about...] explaining a surprising finding” as part of qualitative research, and “[a]bductive inference means considering all plausible theoretical explanations for the surprising data, forming hypotheses for each

⁵⁶ Charmaz (2014a) is the 2nd edition of the original publication from 2006. Publications with academics such as Bryant (Charmaz & Bryant, 2011), or Morse and others (Morse et al., 2009) add to that list.

possible explanation, and checking these hypotheses⁵⁷ empirically by examining data to arrive at the most plausible explanation” (The British Sociological Association, 2012). Theory development therefore involves “inductive data collection”, the finding of “theoretical accounts”, the formation of hypothesis’ or questions and “subsequently [the] test[ing of] these explanations with new data” (Charmaz, 2011, p.361).

More than a decade ago, Denzin and Lincoln (2001, p.27) argued that Charmaz “suggest[ed] that grounded theory, in its essential form, consists of systematic inductive guidelines for collecting and analyzing empirical materials to build middle-range theoretical frameworks that explain collected empirical materials”. However, it is unlikely that Charmaz still agrees with that sentiment, as she specifically criticised Strauss and Corbin (1998) for their developed “procedure” for conducting GT research, and has repeatedly emphasised that a key element of constructivist GT strategy is the selection of appropriate research methods rather than following a set procedure (Charmaz, 2009).⁵⁸ In her view, the choice of methods is likely to change with each research project, according to their varying aims and objectives, and questions (Charmaz, 2014a).

Furthermore, Charmaz clarified in an interview with Graham Gibbs in 2013 (Gibbs, 2013) that she does not believe that truth can be “discovered”, an assumption made by Glaser and some of his followers (see Table 12, p.109 for an overview of her views). Instead, she argues that constructivist grounded theory has its roots in pragmatism, but more importantly, that it assumes a relativist epistemology (Charmaz, 2009). Interestingly though, Charmaz, unlike Glaser himself, concludes that Glaserian GT is not (necessarily) in opposition to qualitative inquiry; on the contrary, she sees it as compatible and as complementing each other (The British Sociological Association, 2012).⁵⁹

⁵⁷ While her use of “hypothesis” may lead to misinterpretation as it implies a somewhat positivistic approach, that would be a misrepresentation of her views.

⁵⁸ A view that Corley (2015) also subscribes to: “I also disagree that a GT approach is best used as a sequential, lockstep set of techniques that should be followed precisely” (ibid., p.600). And Fendt and Sachs (Fendt & Sachs, 2007) suggest it is important to understand different types of GT in order to make informed choices of methods and techniques.

⁵⁹ It may be speculated that there is a definitional issue here about what “qualitative” research is, for example, as highlighted by Bailyn (in Walsh et al., 2015b).

Nevertheless, for Charmaz, the influence the researcher has on the research process, or in her words its “interactive” method, is key (Charmaz, 2009). She regards the researcher as part of the research process, rather than neutrally separated from it.

Objectivist Grounded Theory	Constructivist Grounded Theory
Foundational Assumptions	
Assumes an external reality.	Assumes multiple realities.
Assumes discovery of data.	Assumes mutual construction of data through interaction.
Assumes conceptualizations emerge from data.	Assumes researcher constructs categories.
Views presentation of data as unproblematic.	Views representation of data as problematic, relativistic, situational, and partial.
Assumes the neutral, passivity, and authority of the observer.	Assumes the observer's values, priorities, positions, and actions affect views.
Objectives	
Aims to achieve context-free generalizations.	Views generalizations as partial, conditional, and situated in time, space, positions, action, and interactions.
Aims for parsimonious, abstract conceptualizations that transcend historical and situational locations.	Aims for interpretative understanding of historically situated data.
Specifies variables.	Specifies range of variation.
Aims to create theory that fits, works, has relevance, and is modifiable (Glaser).	Aims to create theory that has credibility, originality, resonance, and usefulness.
Implications for Data Analysis	
Views data analysis as an objective process.	Acknowledges subjectivities throughout data analysis.
Sees emergent categories as forming the analysis.	Recognizes co-construction of data shapes analysis.
Sees reflexivity as one possible data source.	Engages in reflexivity.
Gives priority to researcher's analytic categories and voice.	Seeks and (re)presents participants' views and voices as integral to the analysis.

Table 12 Comparison of objectivist and constructivist grounded theory according to Charmaz (2009, p.141)

Although Thornberg's summary of these views does not specifically relate to Charmaz, it is consistent with her position (Thornberg, 2012, p.249):

In contrast to classic GT, a later version of GT called constructivist GT, rooted in pragmatism and relativist epistemology, assumes that neither data nor theories are discovered, but are constructed by the researcher as a result of his or her interactions with the field and its participants.

The latter point partly links to another area where Charmaz' stance differs from that of other GT academics such as Glaser: the timing and influence of a literature review, and of prior knowledge generally. In Charmaz' opinion, it is "naïve to think one can start with *zero*" (Gibbs, 2013). Instead, she emphasises not only the importance of acknowledging where the researcher is coming from (in terms of their assumptions), but also the need for awareness of the potential influences which have contributed to this knowledge and worldview (Charmaz, 2008a). She does, however, agree with Glaser and others that researchers using a GT approach should start their research as open-mindedly and neutrally as possible; Gioia et al. (Gioia, Corley, & Hamilton, 2012) referred to it as the "willing suspension of belief" (ibid., p.21). This does not mean excluding knowledge of the literature before starting research though (The British Sociological Association, 2012).

3.3.4 Fit of Constructivist Grounded Theory Research Strategy

The overall reasoning for choosing a constructivist grounded theory (CGT) approach for this research is based on the fundamental assumption expressed by Denscombe (1998, p.3) that: "Approaches are selected because they are *appropriate* for specific aspects of investigation and specific kinds of problems". Previous sections of this thesis have identified that a qualitative (inductive) approach is regarded as the most suitable way to achieve the aim and objectives of this research. In addition, GT in general is regarded as the appropriate qualitative research strategy as it differentiates itself from other qualitative approaches by enabling a conceptualisation rather than just a description (Strauss & Corbin, 1994); or, in the words of Cooney (2009, p.18), grounded theory has the "potential to generate theory". This is important for this research's aim and objectives and in line with constructivist grounded theory. Moreover, previous sections have identified that an interpretive focus and the recognition of the influence of the researcher are important underpinnings of this research, which again is a feature of constructivist grounded theory. Other qualitative research approaches can also fulfil these criteria (e.g. Strauss & Corbin, 1994; Riessman, 2011), but Charmaz' constructivist GT approach satisfies all these points and is therefore considered the most appropriate approach for this research overall.

In addition, GT allows a certain level of flexibility while at the same time not neglecting academic rigour or validity. Table 13 (p.111) provides an overview of the key advantages and disadvantages of GT in general that are regarded as applicable to this research and CGT as well.

Grounded Theory	
Advantages	<ul style="list-style-type: none"> - Geared towards generating new concepts and theories. - Generated concepts and theories are tested as part of the research process - iterative approach. - Approach has to stay flexible due to the developing nature of the research process. - Produces (relevant) explanations for the researched subject. - Is geared to producing modest localised explanations based on the immediate evidence.
Disadvantages and criticisms raised	<ul style="list-style-type: none"> - No standardised method; only guidelines and rules of thumb. - Qualitative research material requires interpretation. - Researcher must start out with an 'open mind'. - Selection of people, instances, etc., cannot be predicted at the start due to the developing nature of the research. - Can be potentially difficult to identify the point of (theoretical) saturation. - In many cases less rigour is adopted by researcher than is required for this approach; leading to 'sloppy' research. - Focus to intersubjective phenomena and thus only to one domain – situated activity – neglecting the influence of other domains (Layder, 2006)

Table 13 Comparison of the advantages and disadvantages of Grounded Theory research
(source: adapted from Denscombe, 1998, p.39-41 & 214-217)

The choice of grounded theory, and CGT is no exception, enables the generation of new concepts and theory building, in this research with the purpose of filling a gap identified in existing literature in relation to future (family) generations and stakeholder theory. Creswell (2014, p.18) suggested that using a GT research strategy means that the researcher in this context “collects participant meanings, focuses on a single concept or phenomenon, [...] studies the context or setting of participants, [...] makes interpretations of the data, [and] creates an agenda for change or reform”. However, like other approaches, (C)GT is more suited to some research questions than others (Fairclough, 2008). Its key advantages are related to its usefulness for exploratory studies (Yin, 2009), but also to gaining a better understanding of a phenomenon (Glaser & Strauss, 2012; Marshall & Rossman, 2010). While the “classic” GT (Walsh et al., 2015b) required researchers to start with a blank sheet, “[...] constructivist grounded theory acknowledges the influence of the researcher on the research process, accepts

the notion of multiple realities, emphasizes reflexivity, and rejects assumptions that researchers should and could set aside their prior knowledge to develop new theories” (Charmaz & Bryant, 2011, p.293). Moreover, Charmaz’ constructivist grounded theory is focused on investigating the “assumptions on which participants construct their meanings and actions” (Charmaz, 2009, p.131).

The phenomenon being researched here - the meaning that is given to future family generations with regard to their stakeholder status and/or salience - makes use of the past research. Specifically, it utilises stakeholder theory and the concept of the salience of stakeholders with an additional focus on socio-emotional wealth considerations such as long-term orientation from the family business research domain. It therefore aims to build on existing knowledge. However, one area where constructivist grounded theory can specifically be useful is in the investigation of why social actors (here managers) construct a certain meaning (Fairclough, 2008; Suddaby, 2006); that is, the identification of the underlying considerations that ultimately lead to the meaning they assign.

Charmaz (2011, p.361) pointed out that “grounded theory can aid researchers in explicating their participants’ implicit meanings and actions” and “make [an] individual or collective action and process visible and tangible” (ibid., p.367). This research not only concerns the meaning given by actors to a potential group of stakeholders, but is also in part about the action taken as a result of that meaning being given. Family business researchers have argued for some time that socio-emotional wealth considerations lead to the pursuit of non-economic goals, one of which is long-term orientation. GT enables exploration of what meaning is given by actors and why, but also why it may result in specific actions; for example, in relation to future family generations.

Additionally, grounded theory in general and CGT specifically enables the exploration of “relationships” between actors; here, managers and (unborn) future family generations⁶⁰. One aspect is whether the (type of) relationship changes over time, for example with the birth of a future generation or the coming of age (e.g. 18 years). However, another aspect is the perspective of non-family managers in exploring how they perceive the relationship between family owner/managers and future family generations. The advantage of using (C)GT

⁶⁰ This relationship may not necessarily be of a physical nature, for example in relation to unborn future family generations, but may be expressed in values or norms or similar.

lies in its generic research approach: the iterative process between data collection and analysis enables a concept to emerge and be developed during the research process. The subsequent sub-chapters discuss general theoretical and practical considerations regarding this study's research process and its execution.

3.4 **The Research Process – General (GT) Considerations**

This sub-chapter discusses the general (theoretical and practical) considerations in grounded theory research, highlighting areas where Charmaz' constructivist GT approach differs from other variants.

3.4.1 **The Overall Research Process and Approach**

Charmaz (2009, p.127) pointed out that:

Grounded theory methods provide a frame for qualitative inquiry and guidelines for conducting it. We may have different starting points and conceptual agendas, yet we all begin with inductive logic, subject our data to rigorous analysis, aim to develop theoretical analyses, and value grounded theory studies for informing policy and practice. All variants of grounded theory offer helpful strategies for collecting, managing, and analyzing qualitative data.

Strauss and Corbin (1994) argued that grounded theory is in itself a method, and that certain procedures should be followed (Corbin & Strauss, 1990a, 2008)⁶¹. This approach contrasts with Charmaz' stance, as in her view, "grounded theory represents a constellation of methods" that need to be adapted to the requirements of the research's aim and objectives (Charmaz, 2009, p.128, but also Charmaz, 2014a). Further, she added (Charmaz, 2014b, p.1076):

Yet in my view, no method is neutral. A method may be useful. It may be general. But it is not wholly neutral. It arises from specific values, assumptions, and epistemologies.

Nevertheless, Charmaz and others have pointed out that certain steps should be followed in a grounded theory research strategy. Mills (2013) suggests following

⁶¹ The 2008 publication is the 3rd edition of the original text from 1990.

nine steps: 1 initial coding and categorisation of data; 2 concurrent data generation or collection and analysis; 3 theoretical sampling; 4 constant comparative analysis; 5 writing memos; 6 theoretical sensitivity; 7 intermediate coding; 8 identifying a core category; 9 advanced coding and theoretical integration. Charmaz prefers a slightly different approach as in her view, grounded theorists differentiate themselves from other qualitative researchers because they: “1 Conduct data collection and analysis simultaneously in an iterative process; 2 analyze actions and processes rather than themes and structure; 3 use comparative methods; 4 draw on data (e.g. narratives and descriptions) in service of developing new conceptual categories; 5 develop inductive analytic categories through systematic data analysis; 6 emphasize theory construction rather than description or application of current theories; 7 engage in theoretical sampling; 8 search for variation in the studied categories or process; 9 pursue developing a category rather than covering a specific empirical topic” (Charmaz, 2014a, p.15). These underlying assumptions form the basis for her research strategy, which are illustrated in Figure 9 (p.115).

Charmaz’ research process (Figure 9) appears to be linear, but that is not the case in conducting (constructivist) GT research. For one, the basic requirement when conducting GT research is the iterative process between data collection and analysis. In addition, as Charmaz has emphasised, the process may involve the grounded theorist to “stop and write whenever it occurs to them” (Charmaz, 2014a, p.18). For the purpose of writing up this research, and specifically these general considerations, the following sections are structured linearly, to follow Charmaz’ illustration.

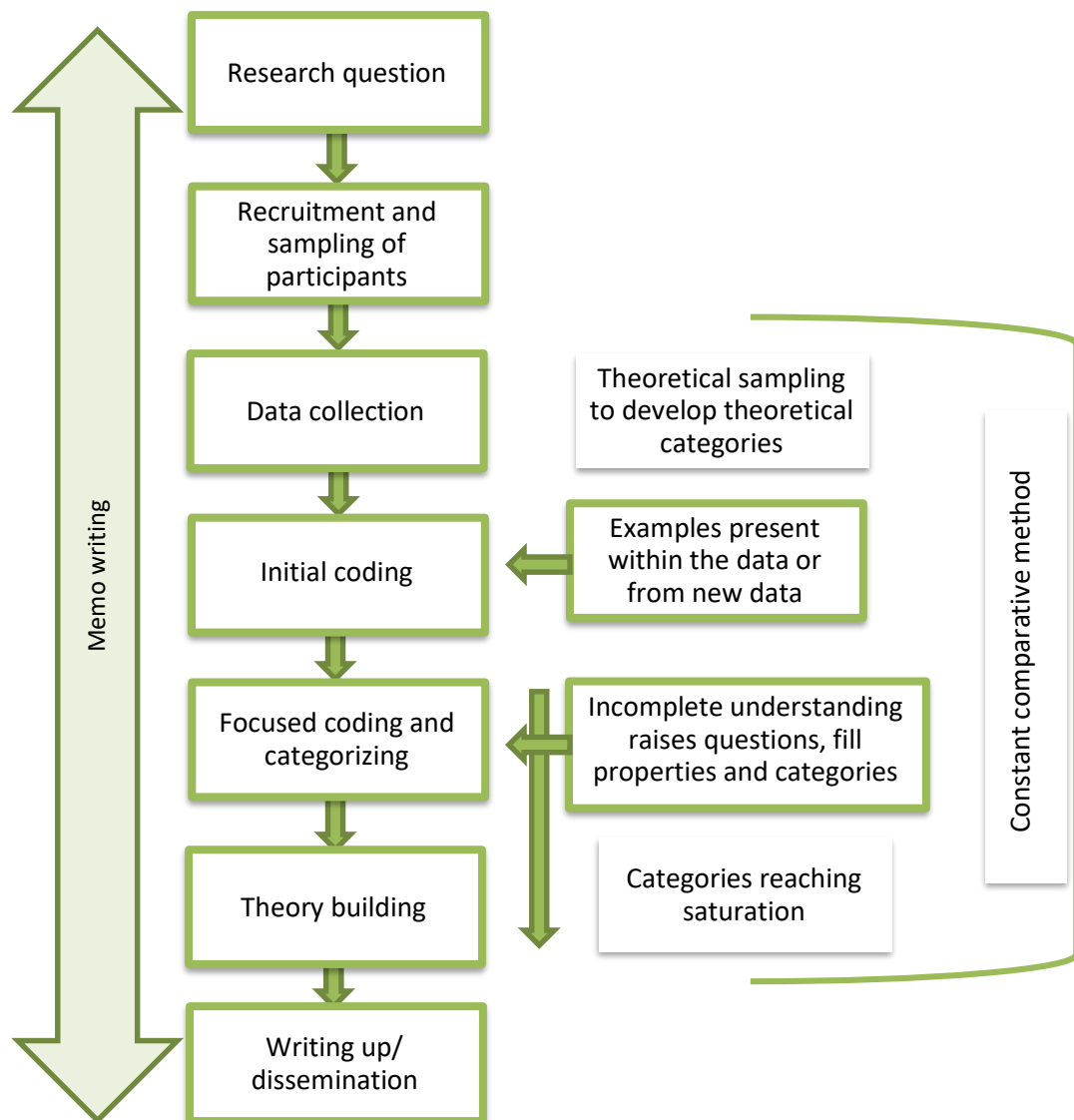


Figure 9 Illustration of the research process according to Kathy Charmaz (adapted from Charmaz, 2014a, p.18)

3.4.2 Sampling

This section provides the general considerations regarding the type of sampling regarded as most suitable for this research, the method of sampling, the type of interview, who to sample, and some general reflections about the number of samples. Although the focus of the following paragraphs is on grounded theory, and specifically constructivist grounded theory as promoted by Charmaz, it also provides some general background information on the topic.

3.4.2.1 Type of Sampling – Theoretical Sampling

As has been discussed above, the overriding premise in this research is that the choices made in planning the research process must fit with the aim and objectives of the research. This also applies to the choice of sampling strategy.

Bryant and Charmaz (2007, p.1) pointed out that the “Grounded Theory Method (GTM) comprises a systematic, inductive, and comparative approach”. As a consequence, theoretical sampling is regarded as the required sampling strategy in GT (J. Bell, 2010; Bunch, 2004; Charmaz, 2008a, 2008b, 2014a; Charmaz & Bryant, 2011; Corbin & Strauss, 2008; Glaser & Strauss, 2012; Mills, Bonner, & Francis, 2006) as it allows “sampling for developing the properties of a tentative category” and “to confirm that the properties of the grounded theorist’s theoretical category are filled out” (Charmaz & Bryant, 2011, p.292).

While Morse (2007) agrees with the use of theoretical sampling, she also argues that two other types of sampling could or should additionally be used in GT research: convenience sampling and purposeful sampling. In her view, convenience sampling, involving using samples to which the researcher can easily gain access, should be used at the start of the research project. According to her, its purpose is to identify the potential broad boundaries and “components” of the research. It can therefore also be defined as *initial sampling*, the terminology that Charmaz uses “to get started” (Charmaz, 2014a, p.197). Charmaz argues that “theoretical sampling [requires...] some preliminary categories” that lead to initial “tentatively conceptualized relevant ideas that indicate areas to probe with more data” (Charmaz, 2014a, p.205).

Next, purposeful sampling, involving the selection of participants based on initial “partition[ing of] emerging phenomena” (Morse, 2007, p.235), is regarded as the second phase of data collection by Morse. She argues that its purpose is to fill these “partitions” with data, and further advocates that part of this sampling stage should also consider whether the data collected is “shadowed data”, i.e. stories about other people, or about their own experience. Morse’s third stage involves theoretical sampling, whose purpose and approach she regards similarly to other scholars. Glaser and Strauss (2012, p.45) argued that “[t]heoretical sampling is the process of data collection for generating theory whereby the analyst jointly collects, codes, and analyzes his data and decides what data to collect next and

where to find them, in order to develop his theory as it emerges. This process of data collection is *controlled* by the emerging theory, whether substantive or formal". The overall aim of theoretical sampling is "to build a theoretical explanation by specifying phenomena, in terms of the conditions that give rise to them, how they are expressed through [] action/interaction, the consequences that result and the variations of these" (Corbin & Strauss, 1990b, p.421). However, unlike some other qualitative approaches, theoretical sampling is also used to "maximize opportunities to develop concepts in terms of their properties and dimensions, uncover variations, and identify relationships between concepts" (Corbin & Strauss, 2008, p.143), thus emphasising the identification of variations rather than generalisability. This latter point was also emphasised by authors such as Mills and Charmaz.

Mills (2013) argued that asking the same questions to different samples or in different locations opens up variations, but also that "far out comparisons" are a useful path. For Gibbs (2015) the comparison of people, places, events, conditions, settings etc. are critical in GT and theoretical sampling, and are led by the emerging theory. Similarly, Charmaz sees theoretical sampling as enabling the researcher to "follow emergent leads" during the iterative data collection and analysis progression, leading to a path that potentially diverges from that which was originally assumed, and in the process discovers the relevant sample (Gibbs, 2013). In general, Charmaz (The British Sociological Association, 2012) views theoretical sampling as involving the creation of categories between different areas, disciplines, and epistemological debates that ultimately enable the researcher "to fill out the properties of a category". She further regards theoretical sampling as the "means seeking and collecting pertinent data to elaborate and refine [...] emerging theoretical categories"; that "develops the properties of [...] category(ies) until no new properties emerge."; adding that it "brings explicit systematic checks and refinements into [the] analysis"; and "distinguishes grounded theory from other types of qualitative inquiry" (The British Sociological Association, 2012).

However, as has already been pointed out, identifying variations is more critical for Charmaz (and others) than seeking generalisability. In fact, she states that one of the most common errors made in theoretical sampling is "confusing

theoretical sampling with gathering data until the same patterns occur” (Charmaz, 2014a, p.199). Instead, she argues that it is necessary to gather data “toward [the] explicit development of *theoretical* categories derived from analyses of [the researchers’] studied worlds” (ibid.). This should not however lead to excluding any “negative cases” (Morse, 2007, p.240) that could potentially enhance the identification of variations.

3.4.2.2 Method of Sampling - Interviews

Data should be collected via the methods that are best suited to answer the research questions (Corbin & Strauss, 2008) in line with the general premise of the chosen methodology, and specific methods are chosen because they fit the aim and objectives of the research. Corbin and Strauss (2008) argued that in qualitative research in general, the researcher can use either one or several types of data collection. They listed “interviews, observations, videos, documents” and other sources (ibid., p.27)⁶², and stressed the importance of using those deemed most likely to lead to answering the research questions, thus achieving the aim and objectives of the research.

Academics such as Morse (1994), Denzin (1994) and Strauss and Corbin (1994) have argued that (in-depth) interviews and observations are the most suitable approach in GT, and, where feasible and useful, documents may also be considered. Although audio and video material, including social media, are in theory possible sources of data, they were not considered in this research as A) it is unlikely that any relevant material exists; B) necessary access to potentially existing data would likely mean access to very private sources and therefore is unlikely to be granted; and C) the research topic is very specific and not something that would come up in day-to-day communication (via audio or video) as it focuses on the interviewee’s attitudes, values and similar regarding future family generations as a stakeholder. However, interviews, observations and documents were potential sources for data, and are thus briefly discussed here.

⁶² Denzin and Lincoln (2001) and Denscombe (1998) differentiated between three methods of qualitative data collection: interviews, observations, and visual methods such as internet, photography, films, etc. However, they also pointed out that other authors often refer to the latter as documents.

An interview, according to Creswell (2014, p.191), “allows [the] researcher control over the line of questioning”, but is also “useful when participants cannot be directly observed”. Alvesson (2003) had, however, cautioned researchers on two points in regards to interviews. First, that the interviewee is potentially applying one of his identified eight “metaphors” that describe the interview situation; that is, the way the interviewee behaves during the interview, (potentially) causing the researcher having to take actions. Second, Alvesson argued that the interview situation itself is an empirical situation from which researchers “cannot lift the results of interviewing out of the contexts in which they were gathered” (ibid., p.30). On the positive side, interviews allow the participants to “provide historical information” (Creswell, 2014, p.191). This latter point is of particular interest in this research, as changes in views of, and attitudes towards, future family generations are worth considering in relation to the research’s objectives. Interviews, especially in-depth interviews, generally allow questions to be asked and information to be captured that relates to changes over time, which other forms of data collection do not allow to the same degree, if at all. Moreover, one-to-one interviews can gather in-depth information on the individual’s perspective on chosen matters (Charmaz, 2014a). As interviews can be held with one individual at a time, it is also more likely that interviewees will be willing to provide personal information relevant to the research. Last, but not least, interviews also allow the researcher to directly follow up on perspectives that are mentioned by the interviewee, but which may not necessarily have been previously considered by the researcher (Antony Bryant & Charmaz, 2007)

The general disadvantages of interviews as a research method are the influence of the interviewer on the interviewee in terms of presence, and the risk of unintentionally asking leading or biased questions. Moreover, as Alvesson (2003) argued, the researcher needs to acknowledge that interviews are complex and rich, and “that there is no definite meaning or truth” (ibid., p.27). These issues are further discussed below in the “Reflexivity in Grounded Theory” section (Section 3.4.5).

In contrast to interviews, observations serve a different purpose in research. Observations are not about trying to identify what someone thinks or feels, but instead explore what they actually do and how they react to other people, i.e. events (Denscombe, 1998). Consequently, this type of data collection is not

regarded as suitable here. The questions of whether and why someone associates stakeholder status and potentially salience to future family generations cannot be answered through observing their actions, e.g. in meetings, but only via the identification of actions taken in the past or views on potential future actions. Observations relate to actions taken in the present in the presence of the observer, so are deemed unsuitable and unfeasible here.

Corbin and Strauss (2008), and to a certain extent Charmaz (2014a), suggested the use of documents as a potential (part-)route to data collection. The terminology “documents” in this context does not relate to audio or visual material, but to public, private or firm-internal documents such as meeting notes, company house information, or similar. Documents do not play a substantial role in this research due to its aim, but they are of use in identifying the age, size and similar attributes of interviewees’ firms as they represent supporting evidence for identifying the context when appropriate or necessary.

The present research is concerned with investigating the meaning that is given to future family generations in the context of family firms; whether they regard them as stakeholders, and if so, whether with or without salience. The research involves “interpretive work” and therefore the premise is that “interpretations *must* include the perspectives and voices of the people whom we study” (Strauss & Corbin, 1994, p.274). Furthermore, this research is not interested in finding “patterns in social life [...] to create abstract generalizations [but to] understand [...] difference and variation” (Charmaz & Bryant, 2011, p.293). Accordingly, in-depth interviews are regarded as the most suitable approach as the research requires data that is “based on emotions, experience and feelings”, that relates to “sensitive issues”, and that requires some level of “privileged information” (Denscombe, 1998, p.111). As Miller and Glassner (J. Miller & Glassner, 2011) put it, in-depth interviews “reveal evidence of the nature of the phenomena under investigation, including the contexts and situations in which it emerges, as well as insights into the cultural frames people use to make sense of these experiences and their social worlds” (ibid., p.131). In addition, Charmaz (2014a) recently pointed out that “intensive interviewing fits grounded theory” (ibid., p.85) because:

Both grounded theory and intensive interviewing are open-ended yet directed, shaped yet emergent, and paced yet unrestricted. Researchers adopt intensive interviewing precisely because it facilitates conducting an open-ended, in-depth exploration of an area in which the interviewee has substantial experience.

Intensive interviewing focuses the topic while providing the interactive space and time to enable the research participant's views and insights to emerge.

On a more generic level, interviews allow a degree of flexibility during the research process that promotes the follow-up of emerging or new directions. It therefore fits with Charmaz' constructivist GT position: that grounded theory means to "check and refine earlier categories" (The British Sociological Association, 2012).

3.4.2.3 Type of Interviews – Semi-structured

There are several possible approaches to interviews, which vary in terms of type, but also in location and other factors that need to be investigated before conducting research (Creswell, 2007). Firstly, consideration needs to be given to how interviews are conducted in terms of the physical relationship between the interviewer and the interviewee. While it is possible to conduct interviews via phone or some form of video-conferencing, the appropriate path for this research is identified as face-to-face (in-depth) interviews on an individual basis (Charmaz (2014a) refers to it as "intensive interviewing"). This approach allows the development of a more informal relationship between interviewer and interviewee, and thus potentially enables the building of trust between the parties - ultimately resulting in richer data (Corbin & Morse, 2003).

Secondly, it is necessary to consider the structure of research interviews. There are benefits of both structured and unstructured interviews. However, for the purpose of achieving the aim and objectives of this research, Denscombe's (1998) view is followed. He pointed out that every unstructured interview at some point uses an unstructured approach, but at other points during the interview, leading⁶³ questions are employed, thus moving to a semi-structured approach (see also Gillham, 2000). This research adopts the unstructured interview

⁶³ "Leading" is not to be seen in the sense of creating a bias, but as addressing a specific topic.

approach in line with Denscombe as it allows emerging codes and categories to be uncovered. Although this form of interview is often linked with interpretive research in general (Thomas, 2011), the more relevant argument is that it also fits with Charmaz' views.

Another consideration in designing interviews which to a large degree is related to the reflexivity of the research process is that of interview location (Engward & Davis, 2015). The location of the interview should be carefully chosen by the researcher in advance. For this research, it was felt that the interview location should be a place that is familiar to the interviewee (supporting the development of trust), but which at the same time allows for privacy (Corbin & Morse, 2003). A public place such as a cafe is not considered suitable. The interviewee's office, on the other hand, is suitable as it is likely to be a private location very familiar to the interviewee; again, this potentially enables richer data to be gathered.

For reasons of good research practice, all interviews are recorded electronically having received prior permission to do so, and later transcribed. In addition, it is useful for the research process to prepare interview protocols beforehand containing basic information such as the time and location, and interviewee details such as their position in the company, etc. The interview protocol allows note-taking both before and after the interview to capture information holding relevance for reflexivity purposes at a later stage of the research process.⁶⁴ In addition, the interview protocol enables the initial thoughts of the researcher to be noted after each interview in terms of potential future interview questions or changes in approach. In line with the GT approach in general, and with Charmaz' guidance (Charmaz, 2014a), questions should not be static but should evolve and change over time. Similarly, the aim of interviews may change over time with emerging variations in theory and/or the theoretical concept.

⁶⁴ See more information on reflexivity in the relevant subsequent section.

3.4.2.4 Sample Choices – Who and How Many

Sub-section 3.4.2.1 above established that the route proposed by Morse (2007) is regarded as suitable in this research, i.e. starting data collection via initial sampling, then moving to purposeful sampling and eventually to theoretical sampling (to specifically target certain aspects emerging from the data). The choice of interviewee must therefore be in line with those assumptions and depends on the stage of the research, i.e. data collection and analysis. Or, in the words of Corbin and Strauss (1990, p.420): “sampling proceeds not in terms of a sample of a specific group of individuals, units of time, and so on, but in terms of concepts, their properties, dimensions, and variations. [...The researcher] selects groups of individuals, an organization, or community most representative of that phenomenon”. Moreover, “[p]articipants are selected according to the descriptive needs of the emerging concepts and theory” (Morse, 2007, p.235); that is, the “selection of participants is guided by the emerging theoretical constructs” (Mills, 2013). In addition, Charmaz emphasised the need to start with a broad range of interviewees in order to avoid narrowing the topic before data collection begins (Gibbs, 2013). These views not only relate to who should be selected as an interviewee, but also to how many interviews should be regarded as sufficient. Bryman (2012) suggested five points in considering this matter, as follows.

1) Saturation

In general, as this research is based on the application of the grounded theory method, it requires theoretical sampling until the data (collection) has reached saturation; or in other words: “Data collection continues until there are no new codes emerging and categories become stable” (Smith & Davies, 2010, p.151). Similarly, Chamberlain-Salaun et al. (2013, p.9) defined theoretical saturation as “the point at which categories and subcategories are well developed, continued data collection and analysis provide no significant new insights, and previously identified gaps in the theory are filled”. Corbin and Strauss (2008, p.143) previously stated that “[theoretical sampling] also denotes the development of categories in terms of their properties and dimensions, including variation, and [o]f theory building, the delineating of relationships between concepts”. Mason (2010, online) argues in relation to the latter point that frequency is “rarely important in qualitative research, as one occurrence of the data is potentially as

useful as many in understanding the process behind a topic. This is because qualitative research is concerned with meaning and not making generalised hypothesis statements”; a view that Gioia et al. (2012) seemingly shared by emphasising that the “number or frequency of measureable occurrences” is not the focus (ibid., p.16). Consequently, it is difficult to identify the exact required number of interviews in advance that will allow the filling of categories and the identification of variations. As Baker and Edwards (2012, p.4) argued: “you keep asking as long as you are getting different answers [in order] to find the RANGE of responses”. These approaches all fit with Charmaz, who regarded the identification of variations as essential.

2) Minimum Requirements

Bryman (2012) observed that the requirement of a minimum number of samples in qualitative research has been proposed as a factor for consideration. Quoting several prior studies, he concludes that for an interview-based research, the researcher needs to have conducted between 20 and 30 interviews.⁶⁵ Creswell (2014) made a similar observation, positing that in many cases a total of between 20 and 30 interviews is regarded as sufficient. However, Charmaz argued that 12 may be sufficient, but identified the following issue: “Twelve interviews may generate themes but not command respect.” (Charmaz, 2012, p.21). It thus becomes obvious that no consensus has been reached. In part, it seems that the issue links to the philosophical underpinning of the research and the researcher, as addressed in the following paragraph.

3) Style or Theoretical Underpinning

Bryman (2012) argues that it is important to consider the type of research methodology when considering minimum requirements, and cites the example of interpretative phenomenology where it is likely to be acceptable to undertake very few interviews. A debate between Eisenhardt, and Dyer and Wilkins resulting from her article from 1989 on case study research underpins his point of view. Eisenhardt (1989b) had argued that four cases are required as a minimum for case study research (and not more than 10). Dyer and Wilkins (Dyer, Jr. & Wilkins, 1991) responded; and in return, Eisenhardt addressed their response

⁶⁵ He also mentions that one academic identified that less than 60 is not enough and 150 is too many.

(Eisenhardt, 1991). Ultimately, when analysing the debate, one point appears critical: the richness of the data. Dyer and Wilkins argued that one case may provide such a degree of rich data that it is more valuable than several cases with less rich data. It therefore appears that in line with Bryman's example above, the philosophical as well as methodological approach to the research is a key consideration when arguing for a specific number of suitable cases or interviews. However, as was established previously, the research process in following Charmaz' constructivist GT approach not only requires flexibility, but also for the researcher to follow emerging categories, thus making it impossible to define a specific number of interviews prior to research. Instead, considerations of data saturation and the range of variation identified are of relevance, and sampling must continue until no further variations emerge.

Some academics have provided an actual number they regard as acceptable when conducting qualitative (GT) research. Mason (2010, online) agrees with Creswell's (2014) view of between 20 and 30 interviews, but also identifies that other academics (Morse, 1994) suggest 30-50 for GT research. As a consequence, Mason looked at UK PhD theses from 2009, and found that of 174 PhDs which used a qualitative GT approach, the average number of interviews was 32 (median 30), with the highest number being 87, and the lowest being 4 interviews. Unfortunately, he did not differentiate between different variants of GT, i.e. the positivist versus the interpretivist approach, which may partly explain the wide range of interview numbers, nor the length of each interview (and thus potential level of richness of data).

4) Heterogeneity of the Population

Bryman (2012) argues that where the sample population is not homogeneous, it is likely that the sample size, i.e. the number of interviews, must increase to ensure that variability is being captured and allowed for in the emerging theory. However, it appears that this point is closely linked to his final point, the breadth and scope of the research questions.

5) Breadth and Scope of Research Questions

Here, Bryman (2012) argues that the breadth and scope of the research questions is not an objective area, but depends on the researcher's views and other potentially relevant stakeholders for the research. It is thus impossible to set guidelines on where a "narrow research focus" ends and a broad scope begins.

Other academics who have not looked at specific methods or the scope of research questions, etc., have arrived at similar conclusions. For example, Adler and Adler (2012) suggested that at PhD level, an average of 30 interviews is expected; depending on circumstances, this may potentially reach 60 or fall as low as 12. Ragin (2012) recommended aiming for 50 interviews, but Brannen (2012) found that PhD theses formerly employed up to 40 interviews, with a more recent trend towards fewer interviews, thus also suggesting that around 30 interviews might be acceptable.

Ultimately, the question of *how many* appears to come down to three criteria: the validity and reliability of data, what is regarded as acceptable for a UK PhD by examiners, and how that relates to the research strategy assumptions of the researcher. The first point is addressed in a later sub-chapter (Chapter 3, Section 3.4.4 "Enhancing Validity and Reliability of Data"). Considering the second point, the answer appears to be somewhere between 20 and 30, as suggested above. The third consideration is related to saturation and cannot be expressed as a number, only as a general guideline. Charmaz (2008b, p.167), concurring with other scholars, regards theoretical saturation as a "saturation of the properties of a theoretical category", and states that it has "occurred when gathering more data sheds no further light on the properties of their theoretical category" (see also, for example, Charmaz, 2014a; Morse, 2007). Thus, she argues that a researcher should stop sampling when no more properties emerge; that is, when the researcher has exhausted the dimensions, a point which may occur at any point in time (Gibbs, 2013).

3.4.3 Data Analysis

A critical assumption in grounded theory research, independent of its variant, is the iterative process between data collection and analysis. This premise should be kept in mind when reading the subsequent sections of this thesis, which appear to solely focus on data analysis, separate from data collection.

3.4.3.1 The Concept of Data Analysis in Grounded Theory

On a generic level, Denzin and Lincoln (2011, p.14) regard data analysis as the managerial and interpretive process linked with “large amounts of qualitative materials”. In 1994, Huberman and Miles (1994:429; see also Hammond & Wellington, 2013) had argued that data analysis consists of “data reduction, data display and conclusion drawing/verification” (see also, for example, Yin (2009)).⁶⁶ Huberman and Miles regarded data reduction as the process of identifying and focusing on the essential themes, for example via coding. Data display was argued to be necessary in order for the researcher to be able to derive meaning from the information and ultimately to draw conclusions.⁶⁷ Conclusions, in turn, were defined as the result of the data interpretation process.

The analysis of interview data in general should occur in line with general data analysis considerations (such as those proposed by Creswell, 2014). Huberman and Miles (1994, p.432) acknowledged one issue as specific to grounded theory, which is that: “Analysis will be undifferentiated and disjointed until the researcher has some local acquaintance with the setting”. This is different from the general approach to data analysis as it diverts away from the linear nature of the analytical process (Creswell, 2014) because of the iterative process between data collection and analysis in GT. There is, however, agreement that the application of GT must incorporate theoretical sampling, (theoretical) saturation, (open) coding and memo writing on a basic level (e.g. Chamberlain-Salaun et al., 2013;

⁶⁶ According to Denscombe (1998:210), the data analysis process itself consists of only two-steps: 1) Breaking the data down into units of analysis; and 2) Categorizing the units. He obviously did not regard drawing conclusions as forming part of the analysis process.

⁶⁷ They argued that conceptual frameworks, i.e. graphical displays, may be used to illustrate relationships between factors, constructs, variables etc. Mason (1996) similarly argued for the utilisation of graphics and diagrams.

Charmaz, 2008b, 2011; Tavory & Timmermans, 2009). Rapley (2011, pp.274-275, the authors based their views on work by Charmaz, 2000 & 2006), adds detail by summarising Charmaz' view of the analytical approach to constructivist grounded theory into five steps: Initial coding and memo writing; focused coding and memo writing; collecting new data via theoretical sampling; continuing to code, memo and use theoretical sampling; and sorting and integrating memos⁶⁸ (see also Figure 9, p.1115 for an illustration of Charmaz' approach).

Taking a step back, Charmaz regarded the analytical process in general as an interactive method due to the interaction of the researcher with data and codes (The British Sociological Association, 2012). For her, it is essential that the researcher "remains open to all possible theoretical understandings; develops tentative interpretations about these data through codes and nascent categories; returns to the field of site(s) and gathers more data to check and refine categories" (The British Sociological Association, 2012). Charmaz further promotes the comparison of "incidents"⁶⁹ and "routine actions" (Gibbs, 2013). Mills (2013) (in line with Charmaz, 2014a and Glaser & Strauss, 2012), argues that data analysis is based on the constant comparative method involving: "constant comparison of incident to incident, incident to code, code to code, codes to categories and categories to categories". Moreover, Charmaz argues that it is essential that data analysis is executed immediately after data collection (Charmaz, 2014a). However, she also stresses that comparing data incorporates comparisons within one interview, but also, during a later stage of analysis, a comparison of data from different interviews. In addition, Charmaz highlights that data analysis requires the identification of data similarities and differences, and their comparison.

Corbin and Strauss (2008) argued that, in general, comparative analysis enables the researcher to understand meanings (including properties and dimensions); that it leads to new research questions; helps in abstracting information; and allows the researcher to more easily reflect on their own world-view. In their view, comparative analysis may lead to modifications to initial interpretations, but it also results in the identification of more variations and linkages between categories.

⁶⁸ According to Corbin & Strauss, 2008, p.117, memos are "written records of analysis".

⁶⁹ Charmaz defines an "incident" as an action that leads to an outcome.

The latter point was also highlighted by Charmaz (Gibbs, 2013), who explained that the positivistic approach is about using theory to explain and predict, whereas her GT is about an “abstract understanding, lining abstract concepts together, seeing the relationships” (Gibbs, 2013). For Charmaz, being analytical and developing theory means breaking up the data, identifying what constitutes it and its properties, and the conditions for the emergence of properties.

3.4.3.2 Development of Tentative Theoretical Categories

Rapley (2011) and Charmaz (2014a) regarded preliminary categories of code as a useful basis before embarking on theoretical sampling. While Glaser and Strauss’s original work in 1967 did not permit any theory or concept to be held before starting data collection, more recent studies have diverged from that view (Bryant & Charmaz, 2007; Corbin & Strauss, 2008). Moreover, both Charmaz (2014a) and Morse (2007) regard the establishment of some basic preliminary categories as necessary before utilising the theoretical sampling method. Charmaz (2014a, p.205) specifically suggests developing “tentative analytic categories to pursue”. She further argues that by not “defin[ing] and tentatively conceptualiz[ing] relevant ideas”, there is a danger of falling into some common traps such as the “premature closure of analytical categories”; “trite or redundant categories”; “over-reliance on overt statements for elaborating and checking categories”; and “unfocused or unspecified categories” (Charmaz, 2014a, p.205).

3.4.3.3 Coding

Coding means “deriving and developing concepts from data” (Corbin & Strauss, 2008, p.65). Further, the codes used as part of the data analysis process can be derived from three different forms of (language) information (Saunders et al., 2007, the authors based their views on work by Strauss & Corbin, 1998): 1) information from the data collection translated into the language of the researcher; 2) language used by the participant (“in vivo”); and 3) language derived from theories and theoretical concepts. Easterby-Smith et al. (2008) suggested using the researcher’s language rather than that of the interviewees, an approach which appears to be in line with Charmaz’ thinking. In addition to

the type of language used, the actual wording approach may differ between researchers and/or across research projects. Charmaz (2011, p.367) proposes the use of “gerunds to code for actions”⁷⁰ and processes (Charmaz & Bryant, 2011). She argues that “coding for topics and themes helps the researcher to sort and synthesize the data but neither breaks them apart as readily as grounded theory coding for actions nor fosters seeing implicit relationships between topics and themes” (Charmaz, 2011, p.368). In her view, coding for processes and not for topics and themes emphasises the actions of an individual or group depending on the research (The British Sociological Association, 2012), and also helps the researcher to interact with the data (Charmaz, 2011).

Another choice which must be taken is the type of coding to use. Charmaz recommends the approach of “line-by-line coding”, which allows the researcher to be brought “into the data, interact with it, and study each fragment” (Charmaz, 2011, p.368). She further suggests that the researcher should select those codes from line-by-line coding that are relevant to research questions and that are to be used in subsequent interviews (Gibbs, 2013). Charmaz also suggests that codes which don’t appear to hold up should be eliminated once they have been checked during a subsequent interview (The British Sociological Association, 2012). Eventually, this ongoing process of “[d]ata collection continues until there are no new codes emerging and categories become stable” (Smith & Davies, 2010, p.151).

In addition to the language and type of coding used, the different stages of coding also require consideration. According to Gibbs (2015) Corbin and Strauss suggested three levels in the past, while Charmaz proposed only two. Creswell (2007, p.160) argued in a similar vein to Corbin and Strauss (2008) that GT analysis requires the use of three coding levels: open coding⁷¹ (“developing categories of information”), axial coding⁷² (“interconnecting the categories”), and

⁷⁰ For example, “Externalizing her inability to speak coherently”, in Charmaz, 2014a, p.110.

⁷¹ Corbin & Strauss (2008, p.198) define open coding as “breaking data apart and delineating concepts to stand for blocks of raw data”

⁷² Corbin & Strauss (2008, p.198) define axial coding as “the act of relating concepts/categories to each other”. Mason (1996) referred to it as (non-) cross-sectional and categorical indexing. Easterby-Smith et al. (2008, p.179) referred to it as focused coding (directed, conceptual and analytical coding) and axial coding (specifies (sub-)categories and their dimensions).

selective coding (“building a “story” that connects the categories”), ultimately “ending with a discursive set of theoretical propositions”.⁷³

Open coding is sometimes referred to as initial coding. Charmaz, for example, regards initial coding as involving the grouping of data into categories⁷⁴ via an open coding approach, i.e. line-by-line coding (Charmaz, 2014a). For Mills (2013) initial coding is similar: “the process of naming and grouping concepts and phrases that represent concepts”. Axial coding, on the other hand, is regarded by Gibbs (2015) in a similar way to Creswell: it marks the stage in the research where relationships of categories are being explored, potentially enabling the starting-point for creating a model. In contrast, selective coding identifies a single category as the central phenomenon around which the story is being constructed with the help of other categories and their properties (Gibbs, 2015).

Overall, Gibbs (2015) emphasises that the purpose of coding is to move from a descriptive level to a more analytical and theoretical level. Mills (2013) previously argued similarly, that advanced coding and theoretical integration “is what differentiates grounded theory from a descriptive qualitative research study”; it “includes variation”, “uses a storyline technique”, and “employs theoretical coding”. Figure 10 (p.132) provides an illustration of a generic coding structure.

In 2011, Charmaz (2011, p.370) criticised some researchers for performing axial coding wrongly, i.e. doing “thematic coding but [without] build[ing] fresh conceptual categories”. She regarded that process as necessary in GT research in order to “relate categories to subcategories”, linking back to the idea of constant comparison (ibid., p.370). However, in 2013, she (Gibbs, 2013) used different wording. Charmaz replaced *axial coding* with *focused coding*, proposing, in line with Gibbs (2015), that focused coding represents a move from the descriptive level to a more abstract one (see also Figure 9, p.115).

⁷³ Jones and Alony (M. Jones & Alony, 2011), for example, used open coding, selective coding and theoretical coding.

⁷⁴ Categories - as Thomas (2011, p.172) established - “are the essential building blocks of [...] analysis [which serve the purpose in the] interpretative approach [...] to emerge with the meanings that are being constructed by the participants (including [the researcher]) in the situation”.

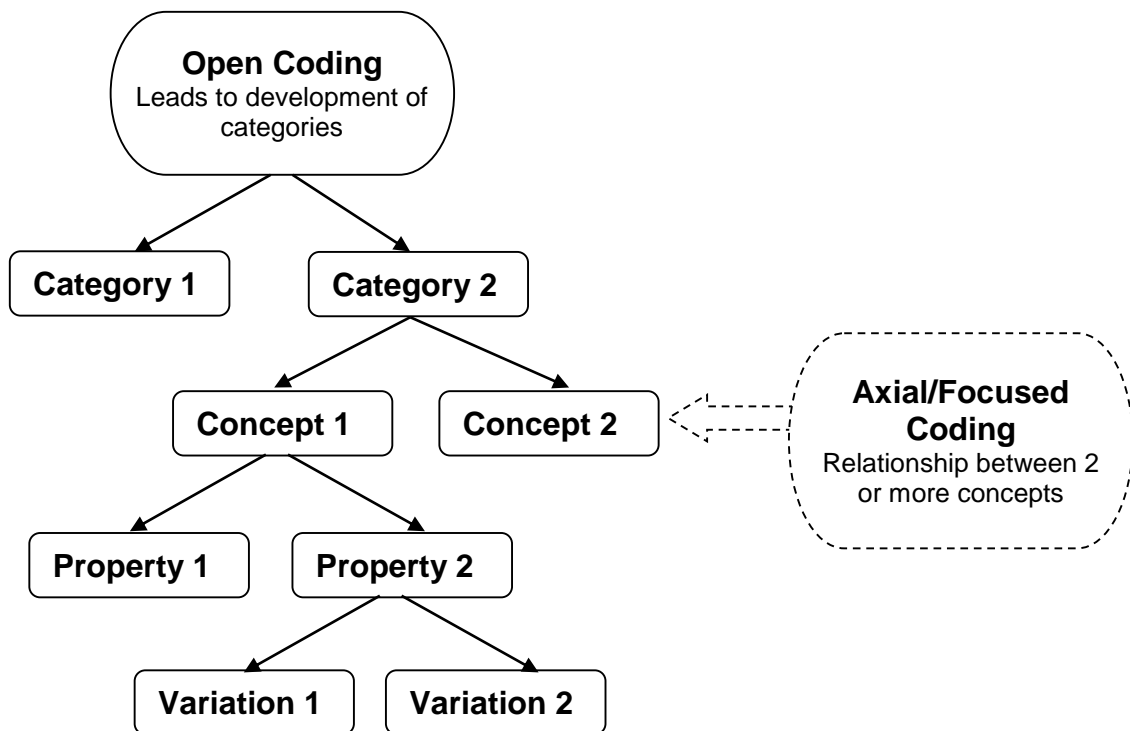


Figure 10 Coding paradigm - structure and hierarchies
(generic example, adopted from Corbin & Strauss, 2008)⁷⁵

3.4.4 Enhancing Validity and Reliability of Data

Altheide and Johnson (2011, p.582) argued that qualitative research “grappl[es] with issues of truth, validity, verisimilitude, credibility, trustworthiness, dependability, confirmability, and so on”. In Silverman's (2010, p.275) view, “‘validity’ is another word for truth”,⁷⁶ and for Lincoln et al. (2011) the key issue is the validity of data and is considered in two dimensions: its rigor, and its rigorousness. Other academics have used the terms validity and reliability instead to ensure a clear language distinction to positivism⁷⁷. In their opinion, “validity considers the appropriateness of the measure”, and “reliability represents the consistency of the measurement” (Hammond & Wellington, 2013, p.150). The latter perspective is used in this research.

⁷⁵ Bryant and Charmaz (Bryant & Charmaz, 2007) state that the words “type”, “class” and “category” are used in the same way as academic terminology and are thus interchangeable (pp. 194, 195, 201).

⁷⁶ Hammond and Wellington (2013) pointed out that *validity* is a term associated with positivistic research and that in qualitative research the word *trustworthiness* would be more appropriate.

⁷⁷ Some prior authors have differentiated between internal and external validity, e.g. Bell & Thorpe (2013), who argue that external validity is about generalisability. However, this is something that the present research is not concerned with.

In broad terms, “validity means that the data and the method are ‘right’”. In terms of research data, the notion of validity hinges around whether or not the data reflect the truth, reflect reality and cover the crucial matters” (Denscombe, 1998, p.241). According to Creswell (2014), one strategy for data validation is triangulation, where more than one type of data source is used; for example, observations are used in addition to interviews. Creswell further proposes to invite at least some interviewees to check the report. However, he also emphasises the need for reflexivity and the awareness of the possibility of the researcher’s biases influencing the research. These points are in line with Denscombe (1998) and others who have raised similar issues (e.g. Huberman & Miles, 1994). However, Denscombe also suggests establishing whether other explanations have been considered and whether the findings match the complexity of the research aim. As a consequence, the above points require consideration both before and during data collection and analysis.

For the purposes of this research, triangulation is not regarded as feasible, based on the previous assessment of suitable methods of data collection which identified interviews as the only suitable and feasible strategy and excluded observations, documents, audio or video, and other types of data. Moreover, the proposed alternative of allowing interviewees to read parts of the thesis is not regarded as suitable for this research either because not only is all data immediately anonymised, but it would also create an additional time constraint. Consequently, (the researcher’s) reflexivity is regarded as the only feasible and suitable option for increasing the validity of the present research.

Both Creswell (2014) and Denscombe (1998) argued that reliability concerns whether a chosen research approach is consistent, and would result in the same findings if executed by another researcher (see also Huberman & Miles (1994) on transparency of method). Yin (2009) and Huberman and Miles (1994) each suggested that an appropriate way of addressing this issue is by keeping research journals and other relevant documentation pertaining to the research process. This should include documentation of the researcher’s reflective processes. In addition, Creswell (2014) recommended checking transcripts for mistakes, and more importantly to ensure that codes are used in the same way throughout the research process.

Some studies have argued that data verification is a point of criticism in grounded theory, as a suitable verification process was not made clear by the original authors, Glaser and Strauss (Denzin, 1994; Denzin & Lincoln, 2011). Denzin (1994, p.508) additionally argued that Strauss and Corbin (1994) had believed in the application of the “usual canons of good science”, namely “significance, theory-observation compatibility, generalizability, consistency, reproducibility, precision, and verification (see also Charmaz, 2011).

However, although Charmaz (2014a) has not explicitly disagreed with this approach, it can be assumed that she somewhat has a different perspective as she says (*ibid.*, p.111): “When you collect first-hand data, however, you see non-verbal behaviour, and hear their voices as well as see written accounts” (“written accounts” refers to interview transcripts here). She thus emphasises that the researcher’s knowledge (and participation) of the interview situation plays a key part in the interpretation process of the written data, i.e. the transcripts, and data analysis via coding, and thus is impossible to be verified by others, who did not participate in the interview.

On the other hand, Strauss and Corbin (1994) argued that the verification of a developed theory, and thus hypotheses, forms part of the GT process rather than something to be done at a later stage, for example via quantitative methods. Charmaz (e.g. 2014a) agrees with this notion, as she talks about GT being an abductive process. However, she makes clear that GT is not about verification but about doing checks against data (Gibbs, 2013). Furthermore, she appears to agree with Glaser (1998) that “small samples and limited data do not pose problems because grounded theory methods aim to develop conceptual categories and thus data collection is directed to illuminate properties of a category and relations between categories” (Charmaz, 2014a, p.33). On the other hand, Suddaby (2006) pointed out that some researchers mistakenly view the use of GT as representing permission to perform low quality research by collecting data in an inadequate and lazy manner.

Overall, it appears that finding the right balance between good quality research, valid and reliable data and “not enough” data is difficult and depends on the research aim and objectives, as Charmaz (2014a) also observed. However, Charmaz mentions that the researcher should ask several questions in order to ensure high quality research, i.e. for achieving data validity and reliability. Like

other scholars mentioned above, she emphasises the need for reflexivity, keeping a research journal and/or taking notes and writing memos. In addition though, Charmaz (2014a) suggests keeping records of which codes were used and when, and why they changed. As reflexivity plays a key role in Charmaz' GT, the following section addresses the subject in more detail.

3.4.5 Reflexivity in Grounded Theory

Reflexivity is important in two ways in GT: in relation to the researcher him/herself, and the relationship between the researcher and the interviewee.

With regard to reflexivity of the self, Guba and Lincoln (2008, p.278) argued that "reflexivity is the process of reflecting critically on the self as researcher". In qualitative research and especially in interviewing, the position of the researcher is not a neutral one, as the researcher is as much a part of the research process as the interviewee (Charmaz, 2014a). As such, it is important to be aware of the potential implications. Creswell (2014, p.187) observed that the researcher needs to consider their own "biases, values, and personal background" before, during and after the interpretation of the data, while Denscombe (1998, p.240) argued that "the meaning we give to events and situations are shaped by our experience as social beings and the legacy of the values, norms and concepts we have assimilated during our lifetime". It is consequently vital for the researcher to be aware of his/her own values, norms and similar dispositions. As Hildebrand pointed out, Dewey believed that "knowledge and truth can never be completely walled off from efforts to create and preserve value" (Hildebrand, 2008, p.4-5). It is interesting to note that Hibbert and colleagues (Hibbert, Sillince, Diefenbach, & Cunliffe, 2014) regarded the "knowledge community" a researcher positions her/himself in also as a potential influence on values and thus interpretation, requiring reflection.

One way of achieving a higher degree of self-awareness is by writing interview protocols, research journals, and similar in order to be able to revert back in time as and when necessary, but also to document thoughts and reflections in the first place. The reflective process in general plays an important role in any qualitative research. For example, Ely et al. (Ely, Vinz, Downing, & Anzul, 1997) argued that

memos and similar writing in combination with ongoing analysis helps in questioning the self, but in return also supports the data and even the research questions and their meaning. However, it is of specific importance when adopting a GT research strategy. Here, memo writing plays a key role as part of the iterative data collection and analysis process (Bunch, 2004; Charmaz, 2008a, 2014a; Mills et al., 2006). For Mills (2013) as for Charmaz, memos are a mostly subjective process of note-taking which allow reflection on the research process, and elucidate why codes were developed and/or changed over time. However, for Charmaz (Gibbs, 2013) memoing not only concerns the coding process, but relates to everything that is part of the research process; in fact, memoing itself is regarded by her as part of the research process, and includes the researcher's own thoughts, or the "discussions with one self" (ibid.). For Charmaz (The British Sociological Association, 2012), writing memos is a step towards building inductive theoretical analyses, moving beyond inductive logic, and forms part of the process of checking emerging theoretical ideas through collecting focused data.

Another matter for consideration in relation to reflexivity is the relationship between the interviewer and the interviewee, and its influences on the data and therefore findings. As Gillham (2000, p.1) pointed out, this relationship is one of "control in the sense of management". The researcher has to manage the interviewee in such a way that the necessary data is gained. Alvesson (2003) regards the interview as a "social situation" with "complex interaction" that creates a "social world" between the researcher and the interviewee which must be taken into consideration during data interpretation (ibid., pp.19&24). On the other hand, the researcher must also consider what Imms (2000) referred to as the "Johari Window": Does the interviewee - consciously or otherwise - hold back information? The concept differentiates between *aware/not aware* on one axis and *will say/won't say* on the other axis (see Figure 11, p.137 for an illustration of this).

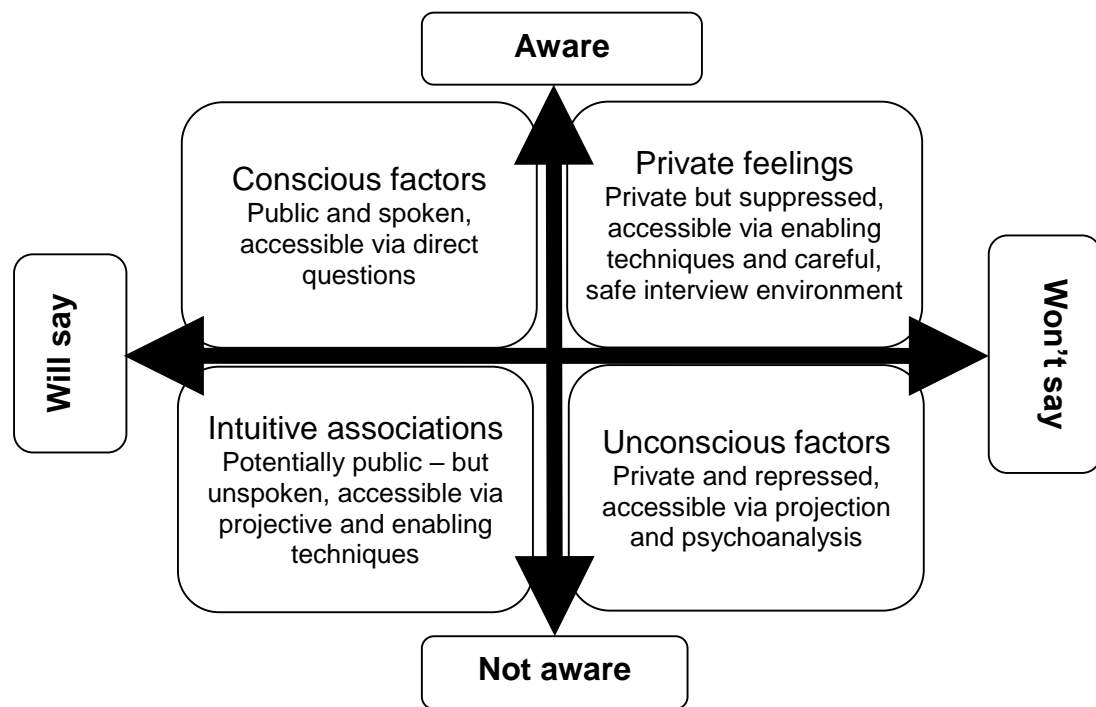


Figure 11 Johari Window (adapted from Imms, 2000)

The dichotomy of these two dimensions, as well as every level in between, should be considered during the interview and data analysis. However, Strauss and Corbin (1994, p.274) made clear that a key part of GT research is the acceptance (of responsibility) that the researcher is part of the research process, specifically during the interpretative phase. Moreover, Alvesson and Sköldberg (2009) argued that reflexivity extends to the interrogation of data, and potentially even to consequent variances. Charmaz (Gibbs, 2013) seemingly agrees with both views, as she assumes that “data are co-constructed” because of the influence of the interaction between interviewee and researcher.

Moreover, she emphasises not only the importance of language and its interpretation, but also the researcher’s need to learn about the world they are entering – what Alvesson (2003) referred to as creating a “social world”. For Charmaz, this constructed social world, which is created during the interview but is also likely to be used during data analysis, is based on two things: firstly, the researcher requires a good understanding of the interviewee’s language (Gibbs, 2013), and secondly, the researcher’s own worldview and (social) background is

likely to impact on the interpretation process (The British Sociological Association, 2012), and therefore has to be included in the reflexivity process.

3.4.6 Data Access and Ethical Issues

Denscombe (1998) and other scholars have argued on more than one occasion that there is no point in developing a research strategy when it is not possible to gain the necessary access to the object of study; in this research, this would mean relevant interviewees. Moreover, it is also necessary to “build trust and credibility” with interviewees when interviews are the chosen research method (Creswell, 2007, p.138). These points must be considered when developing the sampling strategy. Another area of consideration though is that of ethics.

Any form of research requires ethical considerations. As Punch (1994, p.88) established, the “view that science is intrinsically neutral and essentially beneficial disappeared with the revelations at the Nuremburg trials”. While ethical issues undoubtedly vary between research studies and topics, and may only emerge over time (Ryen, 2011), some basic rules exist which must be adhered to. In Scotland and the UK in general, ethical approval must be obtained from the relevant academic authority as a starting point before any data collection can proceed. For the purpose of this research, Heriot-Watt University’s (online) ethics procedure has been followed, which is overseen by a qualified academic within each department. Although this ethical approval procedure is designed to cover all the relevant and necessary ethical aspects, some key points are briefly summarised here.

According to Creswell (2014, pp.93-94), ethical issues may occur during different stages of the research project: prior to conducting the study; at the beginning of the study; during data collection; during data analysis; and when writing up findings. He asserted that ethical issues may arise in terms of gaining the required permits from the relevant stakeholders (e.g. ethics approval, access permits, authorship permits), ensuring that there is no conflict of interest, ensuring that interviewees and other stakeholders are aware of the purpose of the research and are willing to participate, and receiving consent from the research’s participants (preferably in writing, and certainly in advance).

During the data collection and analysis period, Creswell recommends ensuring that attention is paid to participants' needs and requirements, that they are all treated the same, but also that privacy and anonymity issues are addressed, and guarantees made and adhered to. Punch (1994, p.89; see also Christians, 2011: code of conduct; or Easterby-Smith et al., 2008, p.134 on ten key principles) had similarly argued that issues concerning "harm, consent, deception, privacy, and confidentiality of data" were crucial, whereas Ryen (2011, p.418) narrowed these down to "codes and consent; confidentiality; and trust", somewhat similarly to Silverman (2010). Punch also highlighted the issue of personal values impacting on views of ethical issues. It is therefore useful and necessary to have a third party check for any ethical issues in any research (see also Ryen, 2011); in this research, this was achieved via the university's ethical approval procedure and relevant experienced academics, including supervisors.

3.4.7 Applying Grounded Theory in UK Doctoral Research

Several scholars, especially in recent years, have discussed potential pitfalls when conducting and/or writing up qualitative research in general. Pratt (2009, p.857), for example, identified two key issues: "(1) lack of balance between theory and data and (2) making qualitative research appear quantitative". Reay (2014), partly referring back to Pratt's 2009 article, identified high-quality data and choosing a method that is appropriate for the research questions as key issues which can potentially create some common errors. Some of these generic points were addressed in an earlier section (Chapter 3, Section 3.4.4 "Enhancing Validity and Reliability of Data") in this thesis. However, some specific issues require further investigation at this point, especially in light of Glaser's article from 2009 on "The novice GT researcher" (Glaser, 2009), and in the context of Charmaz' approach to GT research.

Glaser posited in 2009 that grounded theory is most suitable to novice researchers, as they generally aren't yet inclined to one specific way of thinking or to doing research in a specific way. On the contrary, he regards "the experienced [as] wanting the novice to use pet categories for professional interests. This view is surely a block to emergence". (ibid., p.15). In Glaser's view, the initial insufficient competence of the novice researcher is quickly

improved during the research process via a steep learning curve. Interestingly, he argues that a lack of prior qualitative research knowledge is actually beneficial and, moreover, that mentoring and support from other experienced individuals may in fact block the learning curve because of the danger of attempting to push the novice researcher along a specific path.⁷⁸ In addition, Glaser takes issue with Janice Morse (and others) for requiring the exploration of the relevant literature before starting with data collection. Back in 2009, Glaser was firmly against this view as expressed by Morse and others, and argued that the prior literature may distract the novice researcher from the emerging data. Instead, he championed the view that GT is designed for “abstract, inductive theory generating” and therefore “doing it right” is never an issue, as “data is never wrong” (ibid., p.11).

Starting with the topic of the literature review, it becomes apparent that UK PhD requirements contrast with Glaser’s views in 2009. Studying for a monograph PhD at a UK university such as Heriot-Watt University in Edinburgh (Scotland) requires the doctoral researcher to conduct a literature review within the first year of the PhD (scholarship) programme before moving to the next stage of the programme. This requirement by UK universities has been highlighted by scholars such as Gibbs (2015). However, it appears that Glaser partly diverted from his own initial standpoint. Stern (2009) quotes from a personal communication with Glaser in which he suggests examining the literature on the core variables prior to conducting research. Similarly to Morse, Charmaz has taken this even further (e.g. Charmaz, 2014a), having suggested for many years that an initial literature review is useful and even necessary. Moreover, she regards an initial literature review as in line with any other prior knowledge of the researcher: it is something the researcher has to be aware of when conducting the research as part of the reflexivity process. Furthermore, she categorically ruled out the neutral stance of the researcher on more than one occasion (e.g. Gibbs, 2013). Charmaz differentiates between literature accessed at different times of the research project, but argues that the “final literature review reflects analytical categories”; that is, it is much narrower than the original one, and should focus on the identified categories (Gibbs, 2013).

⁷⁸ Locke (2015) recently made a very similar point when expressing her dismay about anecdotal evidence of PhD supervisors trying to prescribe a specific procedure or structure for following GT to their students.

Another point raised by Glaser in 2009 relates to prior knowledge regarding qualitative research, but also to specific methods. Glaser and Strauss original grounded theory did not include a suggested procedure to follow (Glaser & Strauss, 2012). Glaser regarded that omission as one of its advantages in 2009, especially for the novice researcher. However, later on, Corbin together with Strauss proposed an approach stipulating certain steps and procedures to be followed in order to achieve high quality GT research, even for novice researchers (Corbin & Strauss, 2008). Charmaz criticised these procedures almost immediately, arguing that one of the advantages – and requirements – of applying a GT strategy is its flexibility in terms of its ability and requirement to follow emerging theories (Charmaz, 2014a). This, however, creates a potential problem for doctoral researchers in more than one way. Firstly, UK PhD programmes often require research project proposals prior to beginning research. To write one, it is necessary to know the specifics in advance, which the flexible approach of GT in general, and Kathy Charmaz' specific formulation, does not allow for. Secondly, and to some degree linked with the previous point, ethical approval at universities is only granted if the research strategy, including the intended methods, are known in advance. Last but not least, lacking some form of procedure or detailed guideline of how to conduct research may lead the PhD, in most cases by a novice researcher, to rely on guidance from more experienced researchers, such as supervisors. This can potentially create an involuntary influence on the researcher him/herself, but also on the research process, in line with Glaser's argument in 2009.

The flexible approach of using grounded theory, i.e. the requirement of following emerging categories and/or theories, creates the risk that low quality research may be conducted (Suddaby, 2006). Glaser's statement mentioned above, that "data is never wrong", is in that context a dangerous proposal that can easily lead an inexperienced researcher either to go off in a futile direction, or worse, to stop data collection altogether at too early a stage. Overall, it thus appears that this issue returns to the previously discussed issue of sampling and ensuring high quality data, and that it requires input from an experienced researcher/academic to some degree to avoid basic mistakes.

3.5 **The Research Process - Execution**

It was established above that applying a grounded theory strategy can easily be described as “messy”. Following Charmaz’ constructivist variant is no different; indeed, if anything it is arguably likely to create even more ambiguity during the research execution than an objectivist GT. The GT approach’s requirement in general to apply an iterative process between data collection and data analysis in combination with its requirement to follow emerging categories and theories (many of which are unknown at the start of the research) does not allow for a linear research process.

For clarity in this thesis, the following sections and chapters make the research appear to be a linear process by reducing the information provided to those paths that eventually led to filling gaps in the literature and making contributions to knowledge.

3.5.1 **Operationalising the Research Questions**

The literature review identified several gaps in relation to the entity of future family generations from a stakeholder perspective that formed the basis for the research. Specifically, three initial research questions were posited. However, in order to operationalise these initial research questions, it was necessary to formulate them in a different way; partly to allow for the flexibility required in grounded theory research. This was done as follows.

In order to address the gap in the academic literature relating to future family generations with regard to the human versus non-human debate and their stakeholder status:

- 1) *What* meaning is given to future family generations in family businesses regarding stakeholder status and/or salience?

In order to address the gap in the literature on the consideration of managers’ considerations:

- 2) *Why* is this meaning given to future family generations?

This question incorporates consideration for: *What is the context?* And *Under what conditions is that meaning given?*

In order to address the ambiguity in the literature about the entity that is most or more likely to attribute stakeholder status (and/or salience) to future family generations:

- 3) *Who* is the key entity in family firms to attribute stakeholder status and/or salience?

This question aims to investigate whose, i.e. which entity's, meaning of future family generations is being interpreted in the research.

The findings, which form the answers to these questions, further enable a comparison with the dominant stakeholder attributes as proposed in the salience model by Mitchell et al. (1997, 2011).

3.5.2 General Points on the Research Execution

The data collection and analysis for this research is divided into three phases, as previously established in the thesis: initial sampling, purposeful sampling, and theoretical sampling. Figure 12 (p.144) illustrates the approach to data collection and analysis taken in the research, with a specific emphasis on interviewing.

In general, the sampling strategy applied in this research had to follow several requirements. Firstly, family firms' offices had to be located in Scotland. Secondly, the firms had to have existed for at least 10⁷⁹ years. The size of firm or type of sector it was operating in at the time of interview was not used as a sample-limiting factor. The choice of interviewees was limited to those who were active in the business at the time of interview. Table 14 (p.145) provides an overview of interviewees and some information about the family business they work in.

⁷⁹ This was done to limit any potential influence from the founder's entrepreneurial behaviour; or, in the words of Scott and Bruce (1987), to avoid the "inception" stage where the business is driven by the founder's creativity.

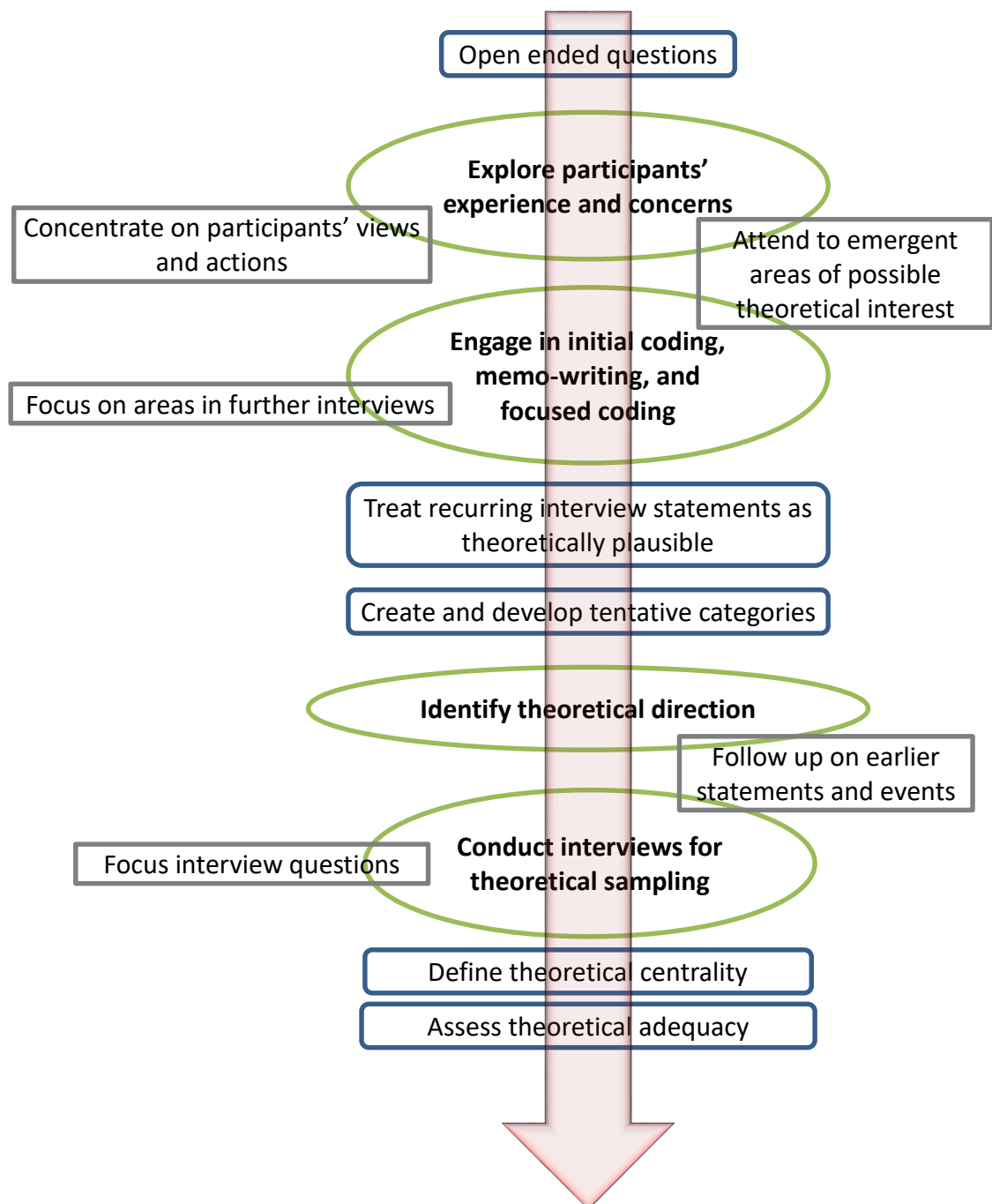


Figure 12 Approach to Interviewing (adapted from Charmaz, 2014a, p.88)

Initial sampling, also known as piloting, is included in the approaches proposed by both Charmaz and Morse. However, the differentiation in this research between purposeful sampling and theoretical sampling corresponds most closely with Morse (2007) rather than Charmaz. Morse argued that purposeful sampling is used to partition findings based on the outcomes of initial sampling. It may be argued that this is not necessary, as Charmaz allowed for it in the theoretical sampling phase.

Interviewee	Age (est.)	Family member	Years in firm	Years in charge (approx)	Type of business	Founded (est. years ago)	Family generation	Employees (est. number)
Initial sampling								
Astrid	50s	yes	>30	20	Retail	>30	2	2
Ben & Birgit	50s	yes	>20	>20	Retail	>10	2	4
Charles	31	yes	>20	0	Retail	>10	3	4
David	50s	yes	>30	>15	Manufacturing	>50	3	90
Egon	30s	no	7	n/a	Manufacturing	>50	n/a	90
Fritz	40s	no	7	n/a	Manufacturing	>50	n/a	90
Purposeful sampling								
Deirdra	30s	yes	2	n/a	Retail	>50	2	5
Ismail	late 20s	yes	5	n/a	Service	>125	5	100
Jakob	30-35	yes	12	n/a	Service	>125	5	100
Karl	mid 20s	yes	1	n/a	Service	>125	5	100
Sarah	40s	no	19	n/a	Manufacturing	>100	n/a	100
Ursula	40s	no	25	n/a	Manufacturing	>100	n/a	100
Tom	40s	no	21	n/a	Manufacturing	>100	n/a	100
Viktor	40s	yes	19	n/a	Manufacturing	>100	(5)	100
Theoretical sampling								
Lorenz	49	yes	>30	>5	Manufacturing	>50	2	3.5
Mark	40s	yes	29	>15	Manufacturing	>130 / >30	2	1.5
Oskar	49	yes	>25	>20	Service	>25	2	1
Neil	50s	yes	>20	>15	Retail	>50	2	5
Fiona	44	yes	9	9	Retail	>30	2	35
Fred	50s	yes	>20	unknown	Agriculture	>50	3	1
Bernd	50s	yes	>25	>25	Retail	>25	1	1
Casper	50s	yes	>10	>10	Manufacturing	>10	1	15
Greta	61	yes	n/a	n/a	Manufacturing	n/a	4	n/a
Hugo	38	yes	15	>1	Service	>125	5	100
Emily	40s	yes	>20	n/a	Service	>100	5	100
Rosie	early 30s	yes	>10	3	Manufacturing	>100	5	100
William	42	yes	>20	>10	Food processing	>60	3	75
Helena	mid 50s	yes	>20	>20	Retail and manufacturing	>20	1	68
Martin	mid 40s	yes	10	n/a	Food processing	>100	5	>1000
Nick	54	yes	>20	>10	Food processing	>100	5	>1000
George	50s	yes	>20	>5	Food processing	>85	3	250

Table 14 Overview of interviewees and their family business.

Nevertheless, this research did so because it enabled better differentiation of the views expressed by family firm owner/managers in comparison to those family member employees who do not have any ownership, or employees who were interviewed but weren't a family member. Before going into more detail on each of these three sampling phases, some general points are addressed that apply to all phases equally.

The definitions used for family firms and future family generations were used in the same way throughout the research. The definition of a family business was established before and during the literature review and confirmed during the data collection and analysis; for the purpose of this research, a family business or family firm is an organisation whose majority ownership is in the hands of one individual or one family, and/or the owners of the business regard their organisation as a family firm. Future family generations (FFGs) in this research refers to any individual member or generation of a family that has not been in charge of and/or owns the business. It specifically includes members and generations not yet born, and those that are not (yet) regarded as current family generation, i.e. those who have been born but do not yet own (or in many cases manage) the business.

The previously discussed issue of ethical approval also applies throughout the entire research. Ethical approval was applied for and received before the start of data collection from Heriot-Watt University (Edinburgh, Scotland); this occurred before the first contact with a potential interviewee was made. No issues were highlighted during the approval process. Specifically, at no point did the researcher anticipate interviewing individuals who would be regarded as (potentially) vulnerable, and the research execution confirmed this view.

Sections 3.5.2-3.5.5 in this chapter go on to provide more detail on the sampling strategy applied for each phase. Appendix 8.1 gives an overview of the generic approaches taken in identifying potential interviewees, and response rates. As the utilisation of personal and professional networks was identified as likely to be most effective, this strategy was used after initial sampling had taken place. Over time, the utilisation of a *snowballing* technique was also found to be effective as well; that is, interviewees were asked whether they knew of other family firms (and their owners) who may be willing to participate in the research. The table in Appendix 8.1 also highlights that several family business owners who participated in the research made one or more of their employees available to participate in this research.⁸⁰

⁸⁰ It should be noted that no interviewee was interpreted by the researcher as having been pressured into participating; all had volunteered. This interpretation was based on their behaviour

All interviews followed good research practice. They were recorded and later transcribed, and prior to each interview, written permission for this process was gained from the interviewee where possible. In a few cases, permission was gained verbally immediately before the interview. In three cases (interviewees Fred, Bernd, and Casper), the interviewee was not comfortable with being recorded, but had no issues with participating in the research. In one case (interviewee Oskar), permission for recording had initially been granted, but recording was then stopped a few minutes into the interview as the interviewee displayed signs of emotion that were apparently being intensified by the recording. The interview was halted for a few moments, but later continued without electronic recording.

Information about the permissions granted was noted in the interview protocol together with other details (see Appendix 8.2 for an example of an interview protocol). In addition, each interviewee received a brief summary of the purpose of the research, either in writing or verbally directly before the interview (see Appendix 8.3 for an example). Last but not least, confidentiality and anonymity issues were clarified with interviewees prior to the start of their interviews.

All recordings and other research files have been kept on a private computer secured with a password and other privacy protection, which only the researcher had access to. Furthermore, all interviewees and their firm's names were anonymised. The only existing identifier is the gender of the interviewee, as each of the aliases reflect their assumed gender.

For each interview, the researcher prepared an interview guide which initially was extensive, with a long list of questions; it was therefore more in line with a semi-structured interview approach (see Appendix 8.4). However, during the first interview it was established that this approach was too restrictive, that it potentially distracted from what the interviewee said, and also that it did not allow for the necessary note-taking. As a consequence, subsequent interviews were prepared only with broad questions and later on only with a few keywords based on the emerging categories. This turned out to be the most suitable approach as

during the interview and their lack of reluctance to answer any questions, which in some cases were personal questions.

it allowed the noting of items for follow up questions, while at the same time not restricting the researcher or the interviewee. Although note-taking during the interview mainly served the purpose of following up on things the interviewee had said, its information was also used in the interview protocol afterwards.

The interview protocol developed before the first interview, and modified during the two subsequent interviews, contained basic information about the interviewee's company, him/herself, the code of conduct regarding permissions sought, and more importantly, the key points from the researcher's reflexivity (process) immediately after the interview and again more than 24 hours later. The latter also applied to the key information taken from the interview and the potential implications for future interviews. Appendix 8.2 provides an example of an interview protocol (with David) from the initial sampling phase.

Date of entry	Trigger	Result	Move from	Move to/ add
	After interview with David	Change of interview structure/themes	1 company history 2 fam involvement 3 own involvement process 4 FFG 5 Business goals 6 Future of firm	1) Own experience of being FFG 2) Being O/M and having to consider FFG 3) Actions taken in firm due to consideration of FFG
	After interviews with David, Egon and Fritz	Change of interviewees within larger firm as actions appear to be related to two areas: financial and human resources	MD/CEO and FD and technical Dir	MD/CEO (and other fam members, independent of position in firm), FD, HR dir
	After interview with David, Egon and Fritz	Coding of transcripts implies that still not sufficient focus on stakeholder salience and/or attributes.		Potentially increasing # of non-family members in FD/HR position to get their view on who is regarded as key stakeholder

Table 15 Interview questions – memo to track changes in interview questions and/or focus of interview.

The interview with David is also used to highlight memo writing as conducted in this research; it is divided into several topics. David's interview is used as an example for memo writing in relation to interview questions (Table 15 above),

codes (Table 16 below), initial findings from interview (Table 17, p.150), potential fit with literature/theory (Table 18, p.150), and the researcher's reflexivity (Figure 13, p.151).

The latter – the researcher's reflexivity - was further subdivided into reflexivity regarding the interview process, coding, findings, and the researcher's own background and/or thinking. Each piece of information stated the date of memo entry and the point at which during the research it was done, e.g. after the interview with David, and after coding the transcript.

Date of entry	Trigger	Coding type	Codes used/ created	Changes to coding structure <i>after</i> coding	Other
	Interview w David	Line by line	"Move from joining to taking over FB"; "Comparison of how self was treated vs how they treat next gen"; "prioritising generation's perceptions and views"	n/a, all done during coding	Adding of transition periods between generations, in both directions: prior to current as well as current to next gen
	Interview w David	Line by line	created new section for non-family members before start of coding	n/a, only used new non-family structure, added as I went along during coding	As non-family FD decisions are being made for him by family: positive side is less profit pressure; negative is potential family hiring with them having qualifications

Table 16 Codes – memo to track changes in coding approach/structure.

Date of entry: Trigger: Interview with David, before coding	
Perceived key point	Implications for theory, practice, policy?
Differentiates between FutFamGen unborn, born but too young and finished education (assumption is uni)	Who is a st.h.? NOT unborn FFG as not being considered
Possibly differentiates between male and female FFG (but potentially misinterpreted as boy is older thus more likely to join first?)	Does industry/type of company make a difference re gender of FFG? Potentially yes; more traditional and "male-dominated" areas will "favour" male FFG?
Interviewee does not regard any of his actions as linked with FFG (contradicted by FD!)	Person not aware of own values/ priorities re FFG

Table 17 Findings (initial) – memo to track key findings (VT perceived top 3) from interviews).

Date of entry: Trigger: After interview with David and all previous interviewees		
Family tradition to be self-employed or similar	Growing up in an environment where all/ many family members (close and less so) are running their own business leads to view: it is the logic thing to do...	FFG is regarded as a st.h. (with salience?) due to family tradition
Own experience informs view/ treatment of NFG	Perception of own experience with business when growing up informs later view/ treatment of FFG, e.g. discussions at dinner table (lack of differentiation between business and family time); giving FFG the option to join firm or not	Perception and thus st.h. salience is dependent on own experience to some degree
Want what is best for FFG	Perceive being self-employed as hard work (due to hours) and as less opportunity to make "fortune" and as more risky in terms of stable income (or better lack thereof)	Potentially leading to view that it is not in the best interest of the FFG to join the firm <u>Family vs Business priorities?</u>
Education	Enable FFG to get education to highest level possible and/or FFG wants to take it - no time limitation; leading to view that higher education will enable them to do something else if wanted/necessary (allows for job flexibility)	Potentially leading to view that it is not in the best interest of the FFG to join the firm - size matters
FFG are not being considered as st.h. until they finish their education		st.h. status/ salience changes over time, i.e. is evolving, dynamic and not static

Table 18 Findings to be further explored – memo to track findings and/or emerging concepts (which require confirmation during subsequent interviews).

Date of entry:**Trigger:** Interview with David and all previous interviews**Reflexivity on interview:** Assumption prior to interview that VT can directly ask who is regarded as key stakeholder was confirmed only where prior knowledge of terminology exists.**Reflexivity on coding:** Consideration given as to whether necessary and/or useful to code into new structure due to different type/size of company. Decided against for the moment.**Reflexivity on findings:** Subconscious assumption before interview with David was that there would be no difference whether male or female FFG. Potentially wrong assumption.**Reflexivity on own thinking/ background:** Company and MD-David was known beforehand to researcher, which potentially helped getting access to data, i.e. perceived open and honest responses.**Figure 13** Reflexivity – memo to track own views.

In addition to the interview protocols and memos, an electronic (MS Excel) file was kept that contained the key attributes of the interviewee and his/her company. This file is the only document containing both the true name of the interviewee and their company and allocated aliases, and more detailed information about both the interviewee and the company. The interviewee data stored in it includes the estimated age (range) of the interviewee, whether s/he is a family member and has ownership in the company or not, how long s/he has been in the company at the time of interview, how and why s/he joined the company, how long s/he was in charge of the company, and why s/he took charge. The company information collected in that file includes the year the company was founded, who founded it (and their relationship to the interviewee), the family generation in charge at the time of interview, the number of employees and the type of business/industry, succession intentions (if any), the current owner(s), and how the status of the company is perceived by the interviewee, e.g. whether the business is doing well or not. Table 14 (p.145) uses some information contained in the file.

The initial analysis of interview transcript data was done via coding. During the initial sampling, coding software was identified and eventually used throughout the entire research process. The chosen software package was NVivo (version 10)^{81 82}. Table 19 below provides an overview of number of codes (i.e. nodes) identified for each sampling phase.

Sampling phase	Interviews	Nodes identified	Average number of nodes
Initial sampling (Fam O/M)	4	617	154
Initial sampling (non-fam employee)	2	54	(27)
Purposeful sampling	9	613	68
Theoretical sampling	16	547	34

Table 19 Overview of number of codes (nodes) in NVivo coding software.⁸³

In total, 1.831 codes were created from interview transcripts. However, Table 19 above demonstrates how - over time – coding became more selective and focused; eventually leading to the creation of only 84 codes that became part of the final (core-) categories in the conceptual model⁸⁴.

Another aspect that applied to the entire research was the previously discussed issue of the researcher's prior knowledge and (cultural) background. As Charmaz has discussed, it is impossible to execute research with a completely neutral view (Charmaz, 2014a); instead, she proposes that it is necessary to acknowledge pre-existing assumptions and to repeatedly incorporate reflections on them into the data analysis process, i.e. interpretation, via memos and other research notes. For the purpose of this research, it is necessary to acknowledge both the literature and personal experience that may have had an impact on any assumptions made and preconceptions held, and/or on the eventual data interpretation.

⁸¹ Charmaz (2011) suggested using a software package for coding due to its potential benefits of creating better visibility and generally enabling an easier management of data. Nevertheless, she warned that the use of this electronic aid may result in some degree of loss of knowledge and understanding of the data.

⁸² The terminology used in NVivo is not the same as was used, for example, by Charmaz. Categories are classifications in NVivo, properties are attributes, and codes are defined as nodes.

⁸³ It should be noted that the average number for non-family employees during initial sampling is misleading as one interview resulted in only three codes.

⁸⁴ The identified underlying assumptions of "traditions/breaking with traditions" and "goal-setting" consisted of already existing codes.

The literature influence can be narrowed down to publications related to stakeholder theory and family business research in the wider sense. The former mostly relates to stakeholder theory, stakeholder management, stakeholder salience and academic approaches to stakeholder identification and classification, for example via stakeholder attributes as addressed in the literature review chapter of this thesis. The knowledge of the latter subject, family business research, is broader and includes topics such as long-term orientation (LTO), socio-emotional wealth (SEW), and others. In particular, the topic of LTO led to the researcher's assumption that family business owners are likely to be interested in maintaining the business in the hands of family members and thus are placing a high emphasis not only on getting the next generation into the business as soon as possible, but also on creating a business that is sustainable for generations to come.

Furthermore, the researcher's personal experience of working in several family businesses over a range of years meant that a prior assumption was formed in relation to future family generations: The current family generation (CFG) wishes for their children to take over the business from them, and this wish is not restricted to already-born next generation family members.

3.5.3 Initial Sampling

The purpose of initial sampling is that It provides "a point of departure, not of theoretical elaboration and refinement" (Charmaz, 2014a, p.197). Similarly, Morse regarded this phase of data collection as necessary to identify the research's boundaries and to create the initial codes, which Charmaz refers to as tentative codes. In addition, initial sampling allows the researcher to test the interview process to judge whether the questioning approach was appropriate and suitable, whether specific questions were more useful than others, and whether the interview guide requires changes. Moreover, it enables the development and testing of templates for interview protocols, memos, and other files to be updated before and after each interview (as mentioned above, examples for the present research are provided in Appendices 8.2 to 8.4).

In this research, the sampling strategy for the initial sampling phase aimed to get as much variation of information as possible; a type of qualitative sampling strategy that Creswell defined as “maximum variation” (Creswell, 2007, p.127), and that corresponds with the views of Charmaz (and Morse). In addition to the general sampling requires in terms of A) family business location (Scotland); B) size, type and age of family business; and C) interviewees’ active involvement in the firm, interviewees for the purpose of initial sampling were required to hold a mix of positions in the firm and to be both family and non-family members.

The literature review identified that numerous studies have argued that the managers of a firm decide on who is assigned stakeholder status and who is not, and ultimately, therefore, on their salience. In non-family firms, especially large global companies, it is unlikely that owners are also active in the organisation, or at least they are unlikely to have the influence that owners of family firms have, who in many cases are also active in the firm, holding key decision-making positions such as managing director or chairman of the board. Consequently, the internal stakeholder model for family firms looks different, as Sharma (Sharma, 2003) and others before her established. Sharma argued that the internal family firm stakeholder model consists of three overlapping circles: owners, employees, and family members, leading to seven types of family business internal stakeholders (adapted from *ibid.*, p.6):

- 1) Family member, not owner, not active in firm
- 2) Non-family employee, not owner, active in firm
- 3) Non-family member, owner, not active in firm
- 4) Family member, owner, not active in firm
- 5) Non-family employee, owner, active in firm
- 6) Family member, not owner, active in firm
- 7) Family member, owner, active in firm

Types “3” and “4” are regarded as stakeholders in the firm by Sharma and others. However, they are excluded from this research together with “1” as they are not currently active in the firm and thus are not involved in the day-to-day running of the business, and therefore in deciding which entity receives stakeholder status related to the firm. Although type “5” is active in the firm, they are not included in

this research either; at least not as a separate group from type “2”, because the definition of family firms applied in this research excludes non-family members from majority shareholdings in the company. This leaves employee types “2”, “6” and the ultimate stakeholder in family firms of family firm owner/managers, “7”. For the purpose of initial sampling, at least one interviewee from each of these three types of employees was sought.

Ultimately, the sample group for this study’s initial sampling consisted of three family business owner/managers, two non-family employees, and an additional type of interviewee, a family member who does not (yet) own the company. A more detailed background description of each interviewee is provided in Appendix 8.5.1. In more detail, the sample group consisted of a female shopkeeper who does not have children; one shopkeeper couple and (one of) their next generation family members already active in the business (two separate interviews) who does not (yet) own a share of the business; and three interviewees from a medium-sized manufacturing firm with around 100 employees. The first two family firms (presently owned by a 2nd generation family member and the 1st generation respectively) were initially identified and contacted via third parties known to the researcher, while the medium sized family firm owner has been known to the researcher personally for many years in a professional capacity and was contacted directly in the first instance. The latter firm enabled not only an interview with the current MD (managing director, 3rd generation), but also the FD (finance director – a non-family employee) and a technical person (a non-family employee).

The previous section (Chapter 3 Section 3.5.3) explained that the initial sampling phase was used to test approaches to interviewing, interview guides and document templates such as the interview protocol. During the first couple of interviews these were tested and modified as necessary, resulting in final versions that were then used throughout the remainder of the research. However, one issue which emerged during the first interview and had to be addressed during many subsequent interviews was a lack of understanding of the terminology of “stakeholder”. This did not come as a surprise though as “stakeholder” is part of what Gioia et al. (2012) had referred to as “academic vocabulary”. While “whose opinion do you value” or similar wording was an

alternative way of asking the interviewees' opinions about stakeholders⁸⁵, in many cases this did not achieve the desired outcome. Interviewees tended to respond in ways that were more related to decision making rather than their personal view and attitude towards future family generations. As a consequence, it became necessary in several interviews to give examples in order to explain or describe what was meant by a "stakeholder". This was an issue in the interview process and ultimately for the researcher. By providing examples, there was always the risk that an unintentional bias was created, leading to responses potentially being unintentionally influenced. This issue therefore had to be carefully considered during data analysis, i.e. coding, and made the researcher's reflectivity even more important.

The coding procedure adopted for initial sampling was based on suggestions by Holton (2007) and others (e.g. Charmaz, 2014a; Corbin & Strauss, 2008; Saldana, 2013), and consisted of an open coding approach; that is, coding line-by-line. Specifically, initial coding was done following Charmaz (2011, p.367) who proposed using "gerunds to code for actions"⁸⁶ and processes (Charmaz & Bryant, 2011), rather than coding for themes and topics. An example of line-by-line coding is provided in Figure 14 (p.157) in the form of extracts from interviewee David's interview transcript.

⁸⁵ The purpose was to firstly investigate whether or not future family generations were even considered as stakeholders, and secondly, if salience was given to them in comparison to other stakeholders.

⁸⁶ For example "Externalizing her inability to speak coherently", as in Charmaz (2014a:110).

Q: If I use the terminology stakeholder, I assume you're familiar with that. If you regard, at this point of time, who would you regard as the top three or five stakeholders in your business? Just organisations or people would you add? ¶	Assuming knowledge of terminology "stakeholder". ¶
A: Well, if you take the broadest interpretation of that view you would have to say, probably, me more than anyone else; strictly speaking, my mother because she's still a major shareholder; the bank, I suppose, because they... you know, we owe them a lot of money...[...]. ¶	Regarding shareholders as key stakeholder. ¶ Regarding bank as key stakeholder. ¶
A: Oh yes, so I suppose they're all stakeholders, and I suppose the other directors are stakeholders as well, as are all the employees, ultimately, everybody is a stakeholder. ¶	Regarding all employees as stakeholders. ¶
Q: Would you regard your children, despite them being obviously 15 and 17 only do you see them as a stakeholder already? ¶	Not considering any FFG as stakeholder himself initially. ¶
A: I suppose yes, you could say that, yes. ¶	Agreeing that own children are stakeholders. ¶
Q: Can you expand a bit on that? How do you see them, when did you start seeing them as a potential stakeholder? ¶	
A: Well, they're a stakeholder in the sense that you're coming to work in the company is a not unlikely choice for them and if they... if it wasn't here or if I was an employee of some other firm that option wouldn't be there for them so they are a stakeholder in that sense in that it's a big option for them should they choose to go down that route. If it wasn't there the option wouldn't be there. So, they are stakeholders in that sense. ¶ And I suppose they are also a stakeholder because you know, it's their livelihood, if you like, because it's mine as well as ability... ¶	Regarding NFG as potential future employees. ¶ Regarding FB as employment option for NFG. ¶ Regarding NFG as employees and thus stakeholders. ¶ Giving NFG the choice to join FB or not. ¶ Regarding NFGs stakeholder status in conjunction with own life. ¶
Q: So, you are mixing, you can't really differentiate between business and the family? ¶	Mixing family and business contexts. ¶
A: Well, not really...there's obviously... because it's working to put a roof over our house. ¶	Assuming FB is there for the family's financial security. ¶
Q: Do you remember when you started thinking of your children as a stakeholder, was that before they were already born or... ¶	
A: No, no, I wouldn't say so, maybe as soon as they were born. You could say that they have an interest even from the day they're born, in a sense, yes. [...] ¶	Regarding NFGs as stakeholder from point of birth. ¶
Q: In terms of... you said already you're not really planning ahead in terms of your business. Do you think you have got a specific goal in your business that you are trying to maintain the business in order for one of your children to have the opportunity to take over, is that a fair thing to say? ¶	Seemingly not prioritising NFG in terms of future ownership. ¶
A: It's fair to say... well, not really. I think what you could say is that there is a fairly obvious kind of game plan, if you like, [...] And basically you've got to keep charging on with that until the day you decide that you don't want to be in the business anymore. And there's always other things you can do. You can look at other products and stuff like that. But, at the end of the day you know very well it's all about keeping [the FB] up to date, keeping production up at a reasonable level... ¶	Not prioritising goal of NFG taking over FB ownership in the future. ¶ Prioritising business over NFG. ¶ Prioritising own wishes over other (business and/or NFG) depending on business status. ¶
Q: But you don't actually have your children in mind? ¶	Not prioritising NFG over business regarding future of FB. ¶
A: Not really. It's just...[...]. ¶	

Figure 14 Example of a coded transcript extract - interviewee David (Q – researcher; A - interviewee)
(N.B. Colour coding is included here to highlight links between codes and quotes.)

A line-by-line coding approach was not only chosen because of Charmaz' and others' recommendations, but also in order to reduce the influence of the researcher's bias in interpreting the data. As was discussed above, the researcher's own background is likely to influence data interpretation via personal preconceptions, experiences, assumptions, etc. A line-by-line coding approach counteracts this to some extent by using the interviewee's language provided in the transcripts in the first instance in the context of the researcher's questioning, before translating it into the researcher's language via codes. These codes can be regarded as representing the researcher's interpretation of "fragments of data" as Charmaz (2011) had referred to it.

The data analysis of the first interview transcript allowed the creation of a set of codes that were compared with each other to generate an initial, tentative coding structure as shown in Figure 15 below⁸⁷. Appendix 8.6.1 provides example quotes for each code/category shown.

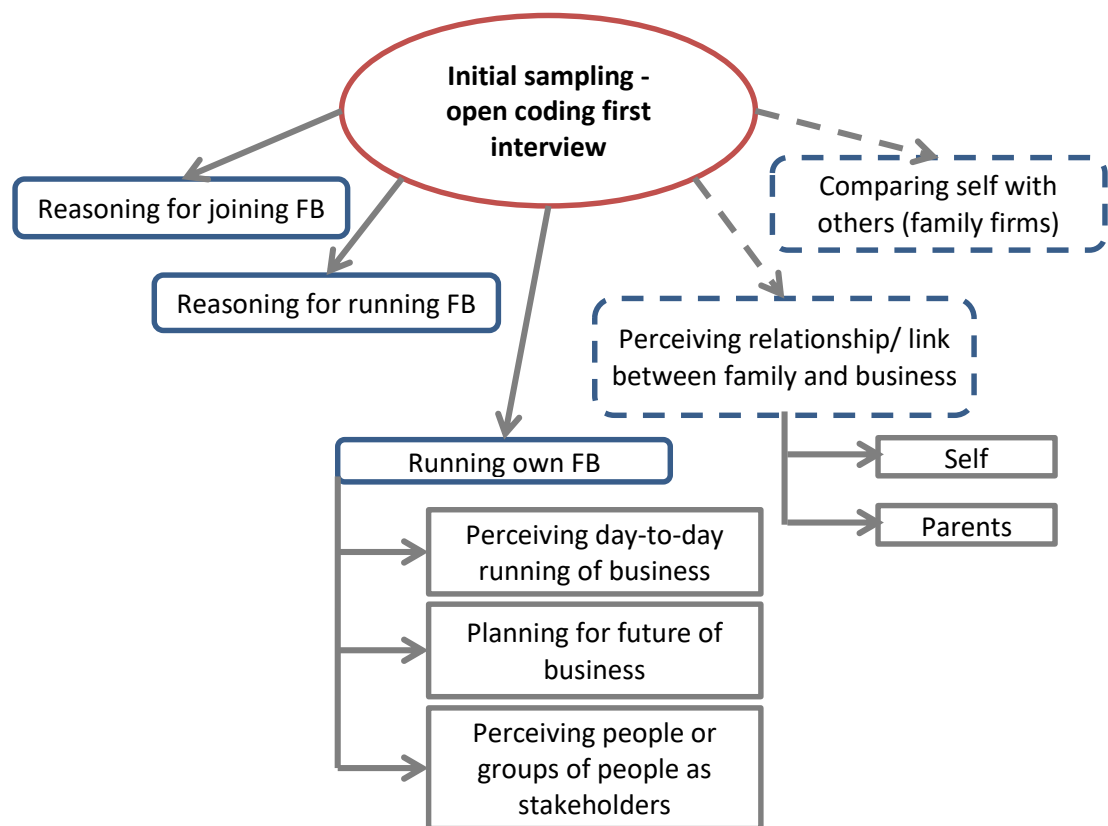


Figure 15 Illustration of tentative coding structure after line-by-line coding of the first interview.

⁸⁷ Text boxes with broken lines indicate codes that were regarded as potentially less important at the time.

Further data collection and analysis via line-by-line coding led to the development of an expanded tentative coding structure (see Figure 16 below). The coding structure development process by that stage had moved from simply comparing codes with codes within one interview transcript to comparing codes from different interviews, and also starting to make comparisons between categories, creating the higher level coding structure illustrated in Figure 16 after four interviews and their analysis. Appendix 8.6.2 provides some example quotes for the codes shown. A key difference between the initial and the more developed coding structure during the initial sampling was the additional category of codes for views expressed by non-family owner/managers.

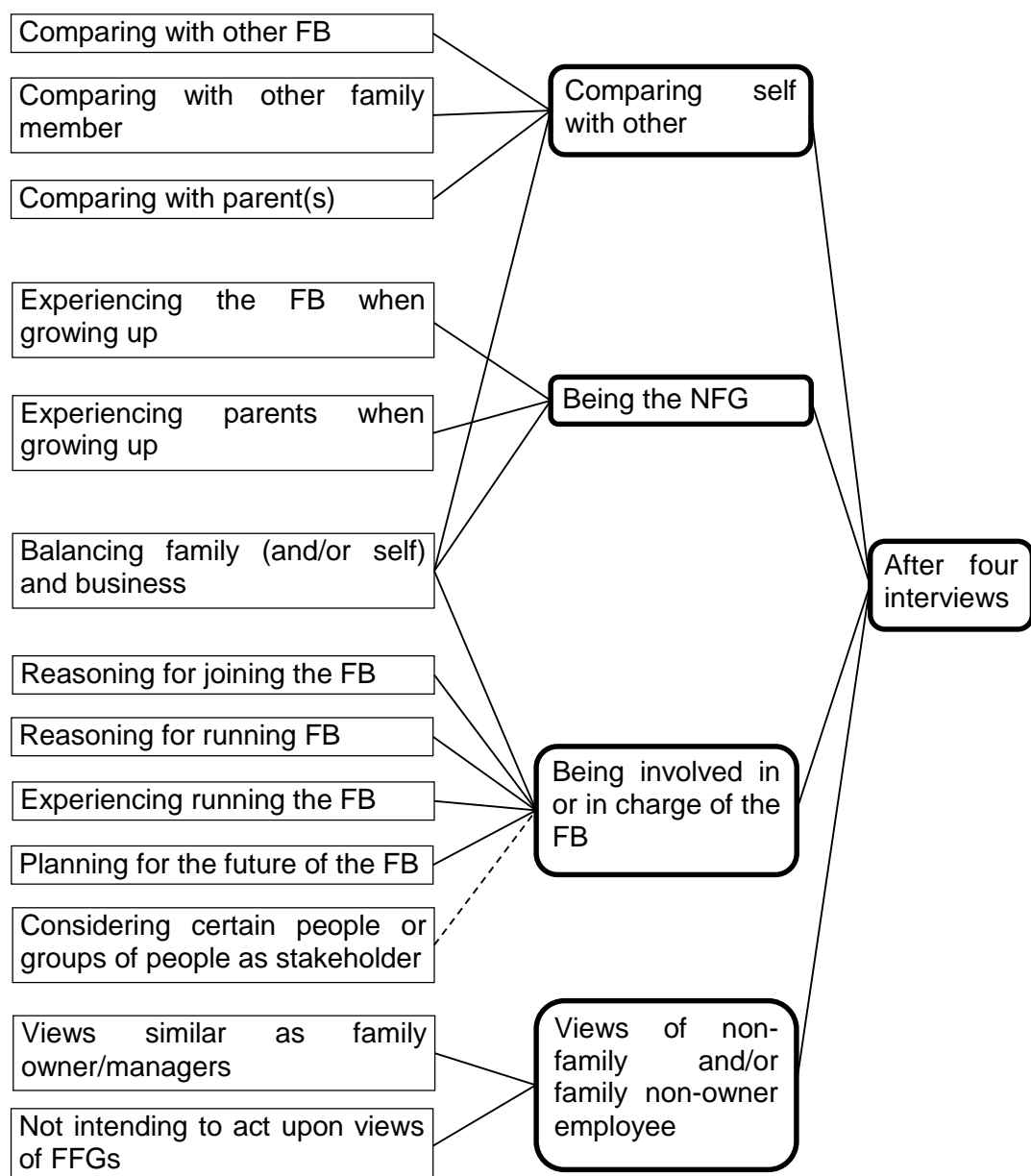


Figure 16 Tentative coding structure after four interviews – higher levels only

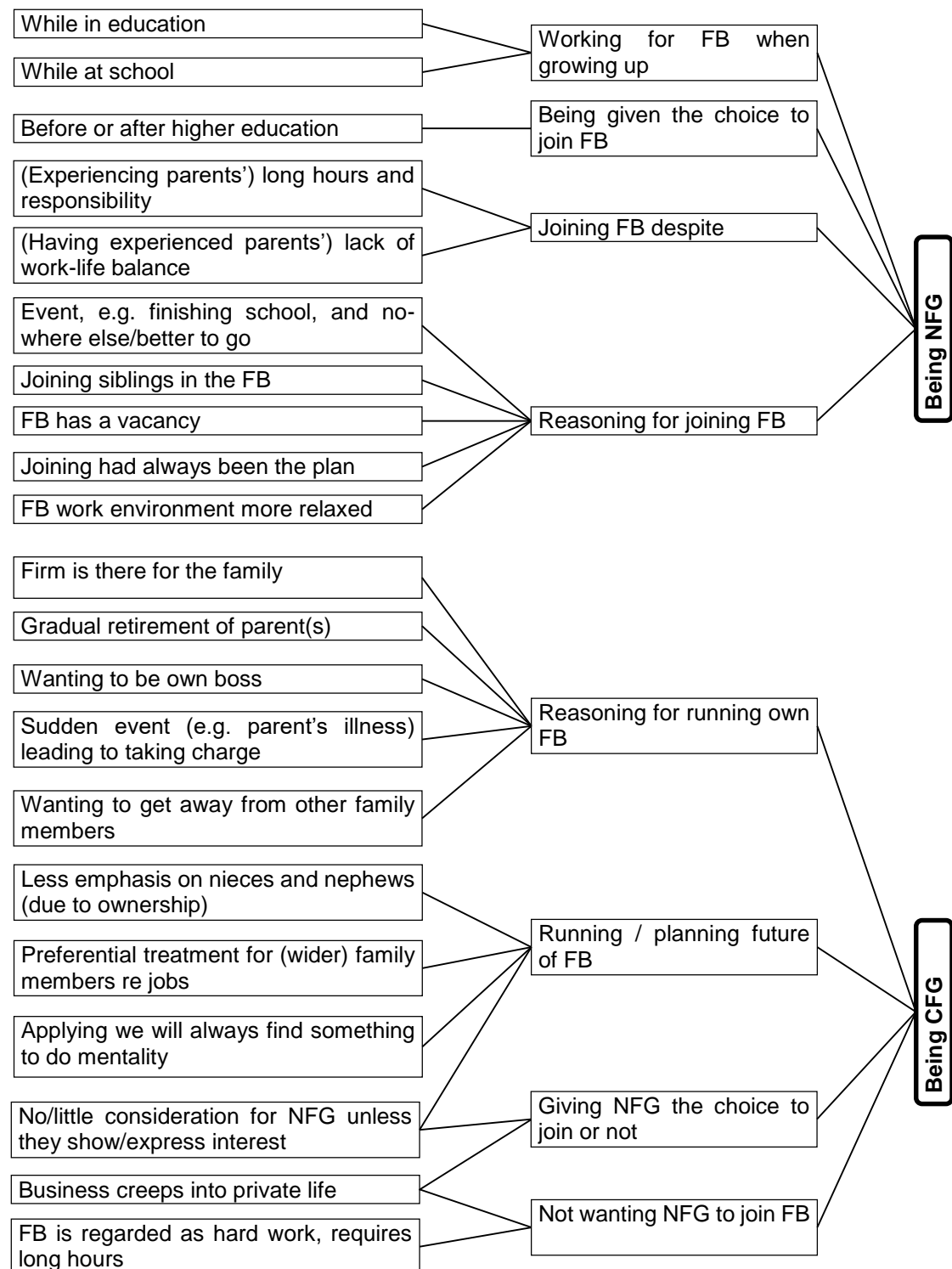


Figure 17 Tentative coding structure after completing initial sampling phase
(N.B. excluding codes of non-family owner/managers not intending to act upon their views)

The execution of additional interviews as part of initial sampling, their individual data analysis and all other already developed codes and categories, resulted in the development of an end of sampling phase tentative coding structure as shown in Figure 17 above which also took other research notes and memos and similar

documentation into account. It highlights that the non-family owner/manager data had been incorporated back into the general coding structure with the exception of code [Not intending to act upon views of FFGs].⁸⁸

Appendix 8.6.3 provides additional quotes in relation to the codes shown.

By the end of the initial sampling phase, it had been established that a good way to create a more relaxed and trusting interview environment for both the interviewee and the researcher was to begin the official interview with general questions about the history of the family business, and to ask about the interviewee's own experience of growing up in a family business (home) environment. The initial use of this interview strategy confirmed it as a useful way forward not only for putting the interviewee at ease, but also allowing the researcher to gain understanding of the historical context, both in terms of the family business and of the interviewee's own life. Moreover, it provided a potential route for identifying changes of opinions that occurred over time, either within the same generation/individual or in transgenerational terms.

As mentioned above, the lack of knowledge of the terminology "stakeholder" created a problem for the researcher. Towards the end of the initial sampling phase it had been established that open-ended questions about the interviewee's views of the future of the business and the role that future family generations play provided a good alternative to directly asking about stakeholders and their status, while at the same time reducing the risk of potential bias from leading questions.

Further reflection on the data collection and analysis conducted during initial sampling led the researcher to make some observations and reach some conclusions. Firstly, initial sampling confirmed the influence of the interview being recorded. While some interviewees did not appear to hold back because of it, others seemed slightly less relaxed. The reason for this observation and assumption is that several interviewees added information to the research after the official interview had ended and the recording had been stopped. Moreover, several interviewees' behaviour and wording appeared to become more relaxed during the informal conversation after the interview. Although this is an aspect of

⁸⁸ References to codes or categories developed in this research are highlighted in blue and presented in brackets.

the interview that needs to be considered during data analysis, nothing can be done by the researcher about whether the interviewee chooses to share all the information s/he has or not.

Secondly, each interview led to the researcher's reflections on changes to the approach in subsequent interviews; for example, regarding whether or not specific aspects needed to be incorporated into future interviews. This was found to be a very useful exercise and was incorporated into the interview protocol after the first interview and continued through to the last interview.

The general idea in grounded theory of using a bottom-up approach to this type of research works well with the aim and objectives of this project. Focusing on the people who are experiencing the phenomenon and having them tell their own stories is a path that allows the researcher to gain insight into their world (and worldview). It also means that the researcher steps back from his/her own assumptions and from those of other academics; assuming the researcher is open to this approach and allows it to happen. It is this "stepping back" from preconceptions and delving into the interviewee's world that also supports a more *neutral* stance when coding data. That is, it helps the researcher to de-construct the interviewee's story and then to reconstruct it later in a way that corresponds with their worldview rather than that of the researcher or other studies. Or, as Charmaz (2008b) formulated it: "the systematic, active scrutiny of data and [...] the successive development and checking of [tentative] categories" (ibid., p.161) is not about "imposing a theoretical framework on [the data]" (ibid., p.163) or "study[ing] narrowly defined preconceived problems" (ibid., p.162). However, continued data collection and analysis also brings changes to the way data is interpreted, based on the interviewees' stories and emerging concepts. The researcher needs to stay aware of this and incorporate it into memo writing, but also potentially when re-evaluating older codes, to ensure that all codes and categories have been created using the same set of assumptions.

Although Morse (2004a) may not fully agree with constructivist grounded theory or everything Charmaz advocates, she agreed with Charmaz that the researcher must be aware of underlying assumptions, and also that it is essential to choose the research method(s) that are most appropriate for the research aim and

objectives (for the latter, see for example Charmaz, 2008a, 2014a). Morse argued that there is no point in “trying to put in a nail using a chainsaw” (Morse, 2004b, p.1030). Furthermore, in her view, “[q]ualitative inquiry is an interpretative act” (Morse, 2004a, p.739). Most importantly, it is essential for the researcher to be clear about the purpose of further data collection. While the overarching research aim and objectives were derived from the literature review prior to data collection to form the basis of this research, the initial sampling phase opened up emerging areas of interest, which needed to be addressed during further data collection in line with general GT assumptions and with Charmaz’ view. Based on the initial sampling and comparative analysis, further data collection should cover the following:

- A) Filling existing properties of categories and codes.
- B) Identifying new codes and/or categories as/where necessary.
- C) Identifying/establishing potential relationships between codes and/or categories (existing or newly emerging).

3.5.4 Purposeful Sampling

The sample group for the initial sampling consisted of the widest range of interviewee types from within a family business as possible: three family owner/managers, two non-family managers, and one family member who is not (yet) an owner. Although the views of non-family owner/managers were eventually incorporated back into the general coding structure, the stories these interviewees told appeared to provide additional angles to tentative codes and categories, and thus potentially to emerging concepts. For this reason, it was deemed appropriate for this specific research to differentiate between purposeful sampling and later theoretical sampling. The rules (as established previously) of theoretical sampling still applied for purposeful sampling, however.

Morse (2007) argued that purposeful sampling is about using the initial sampling analysis to identify how interviewees “partition the emerging phenomenon”, either “speaking for themselves (‘we’), or [...] for others (‘they’)” (ibid., p.235). Morse reasoned that purposeful sampling is conducted to sort the interviewees’ “stories according to the characteristics of the relationship already identified” (ibid.,

p.239). As a consequence, the purposeful sampling phase here focused on family firm stakeholder types “2” and “6” as defined previously (Chapter 3 Section 3.5.3). Interviewees falling into stakeholder types “2” and “6” were: Tom, Ursula, and Sarah for non-family employees, and Ismail, Jakob, Karl, Deirdre and Viktor for family members active in the firm who are not owners. In addition, an interviewee (Greta) was identified whose family (father and uncle) formerly owned/managed a family business, which had been sold due to a lack of interest from the next family generation, i.e. Greta. This served the purpose of investigating whether these former next family generation members could bring an additional and valuable angle to this research.⁸⁹ Background information relating to all interviewees is provided in Appendix 8.5.2.

The interview approach identified during initial sampling was followed through in this sampling phase. The initial interview guide was amended with only a few key points from emerging codes and categories that acted as an aide-memoir during the interview.

It was previously stated that Charmaz moves directly from initial coding to focused coding, for theory building purposes (see Figure 9, p.115). In contrast, Jones and Alony (M. Jones & Alony, 2011), though also proposing only two sampling phases, regard coding as a three-step process; open coding during initial sampling, similar to Charmaz and Morse, is followed by two types of coding during theoretical sampling: selective and theoretical coding. This research added purposeful sampling to its sampling phases to expand on existing codes and categories, but also potentially to develop new codes and categories. As a consequence, the approach taken in this research to coding during purposeful sampling is that of selective coding.

Selective coding was applied in this research to create a step between line-by-line coding (during initial sampling) and focused coding for developing theoretical concepts (during theoretical sampling). In doing so, it allows for less extensive

⁸⁹ This is in line with Charmaz as previously discussed (see for example Section 3.3.3): grounded theory is an abductive approach that at some point during the research process “tests” certain aspects of concepts. Testing in this context is in the sense of identifying whether or not the emerging code or concept is worth following up. The addition of an interviewee whose family does not own/manage the business any more is to be seen in this setting.

coding than line-by-line coding, but is not yet as reduced as focused coding. It thus allows and enables both additions to existing codes and categories, and adding newly emerging ones. While the high-level coding structure illustrated in Figure 17 (p.160) was not changed much, more quotes were added to existing codes but also to some new codes (see Appendix 8.6.4 for examples). Appendix 8.6.5 provides example quotes for the identified code [Not intending to act upon views].

Figure 18 below illustrates the overall research process during purposeful sampling in adding to existing codes and creating new codes, while also considering the research objectives.

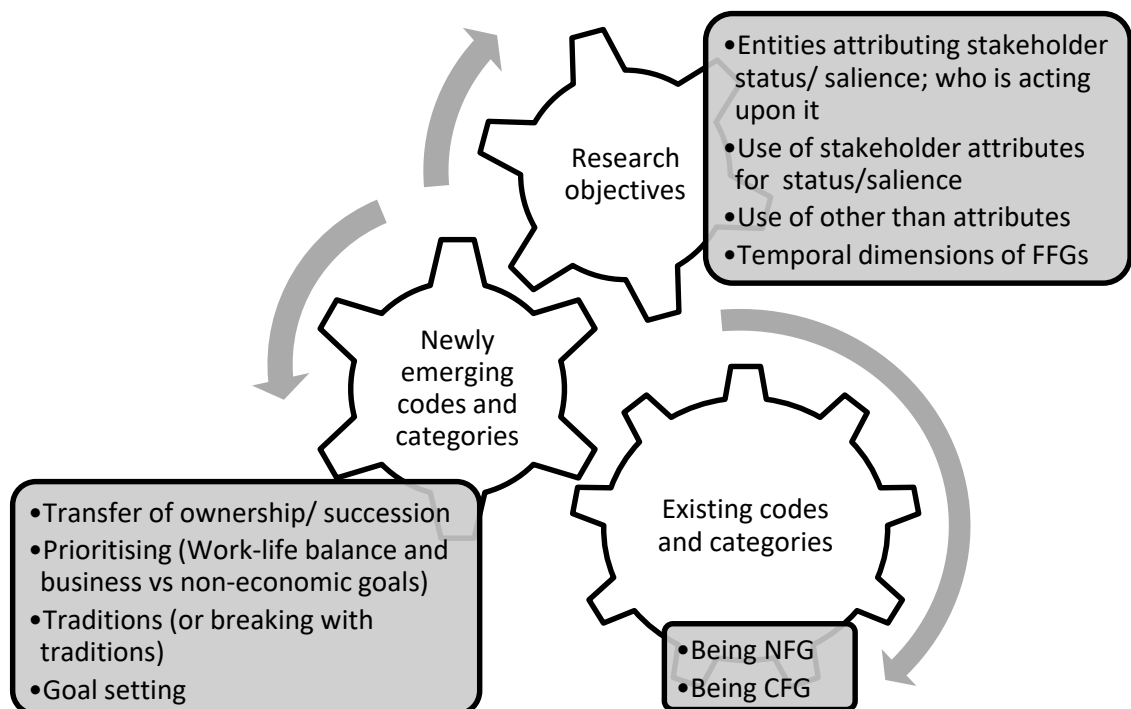


Figure 18 Summary of purposeful sampling research process

However, further analysis of all the gathered data identified that the coding structure did not allow for an appropriate representation of the relationships between some codes and categories. It was therefore necessary to go beyond the coding software's functionality to create visual models of the codes and categories that were more representative of the stories told by the interviewees. One such model is shown in Figure 19 (p.166).

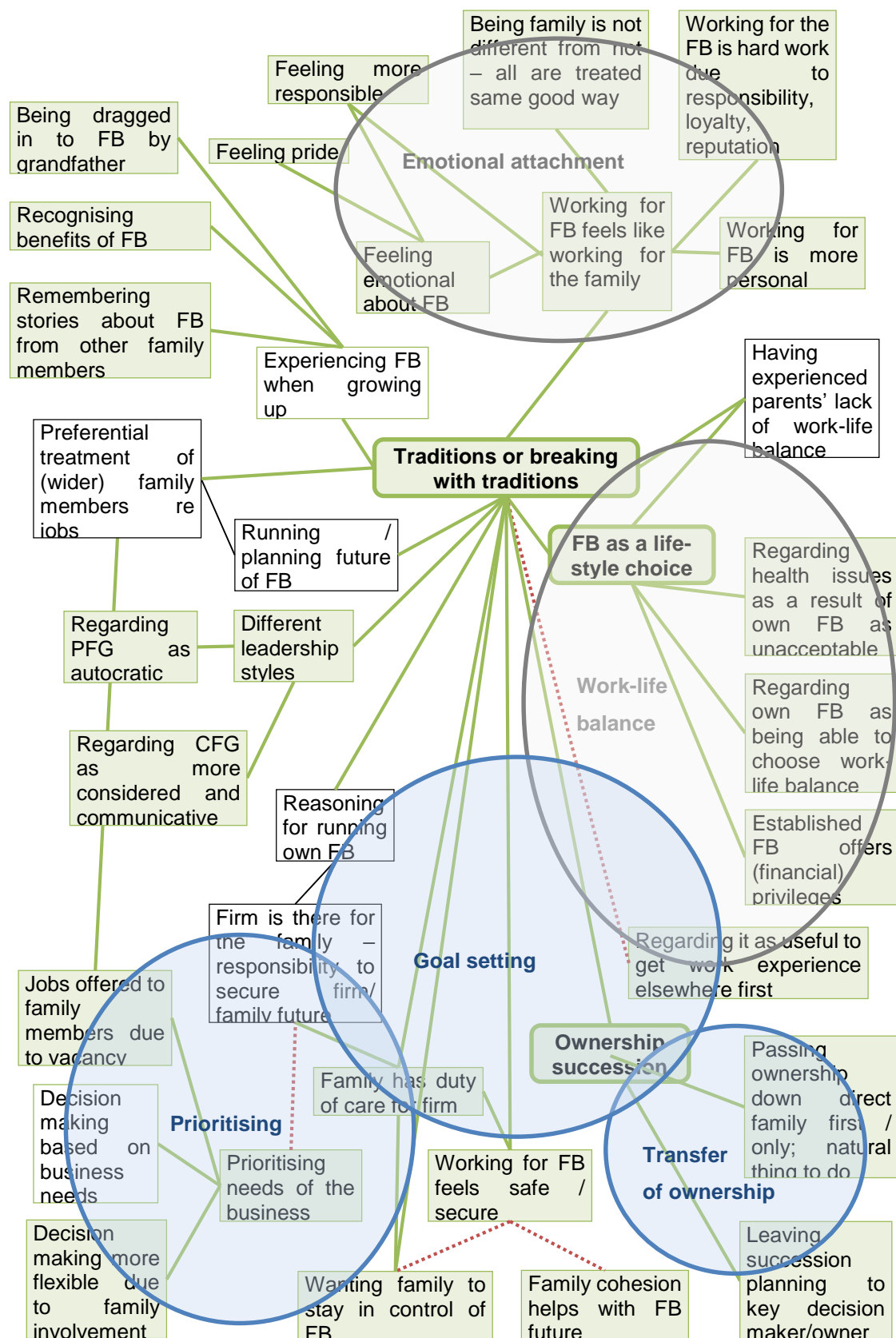


Figure 19 Illustration of relationships of some higher and (new) lower codes, and newly identified underlying aspects

The visual modelling allowed the identification of groups of codes and their relationships and underlying aspects (see oval shapes for the latter) that had not

been fully considered beforehand. Some of these emerging groups appeared to influence the stakeholder status (and salience) of future family generations more than others (blue ovals were regarded as more important than grey ovals at the time). In addition, the visual model illustrated in Figure 19 (p.166) highlights, for example, that “Traditions” (or breaking with traditions) is linked with many codes either directly or indirectly. The (core-) categories developed based on the codes alone would not have identified this underlying aspect of traditions and changes between generations. Similarly, while the “Prioritising” category was derived from the identified codes, only the visual model development could identify the underlying aspect of “Goal setting”.

Charmaz argued against coding for themes and topics, instead promoting the use of gerunds to code for actions and processes. However, the visualisation and identification of the relationships between the codes and categories enabled the identification of underlying aspects linked to more than one code and/or category. These aspects would not have been picked up by the researcher using only gerunds (and the NVivo coding software). Moreover, as the example of the identified core-category “transfer of ownership” suggests, it becomes less important to use gerunds higher up in the coding hierarchy. On the contrary, as the discussion chapter of this research highlights, it may even be more useful to move towards themes and topics once the basic codes and categories have been established in order to allow alignment with the existing literature.

An important aspect missing from these illustrations is the information provided in the actual quotes and properties of the codes: the interviewees’ differentiation of future family generations by their temporal dimension. All the above codes and categories, and the identification of some underlying aspects, led to the development of an emerging concept which takes account of these considerations. Figure 20 (p.168) illustrates this emerging concept as observed at the time of research and the perceived linkages between categories and underlying aspects (N.B., the size of shape is of no significance). Appendix 8.6.6 provides examples of some quotes in relation to [\[Temporal dimensions of FFGs\]](#).

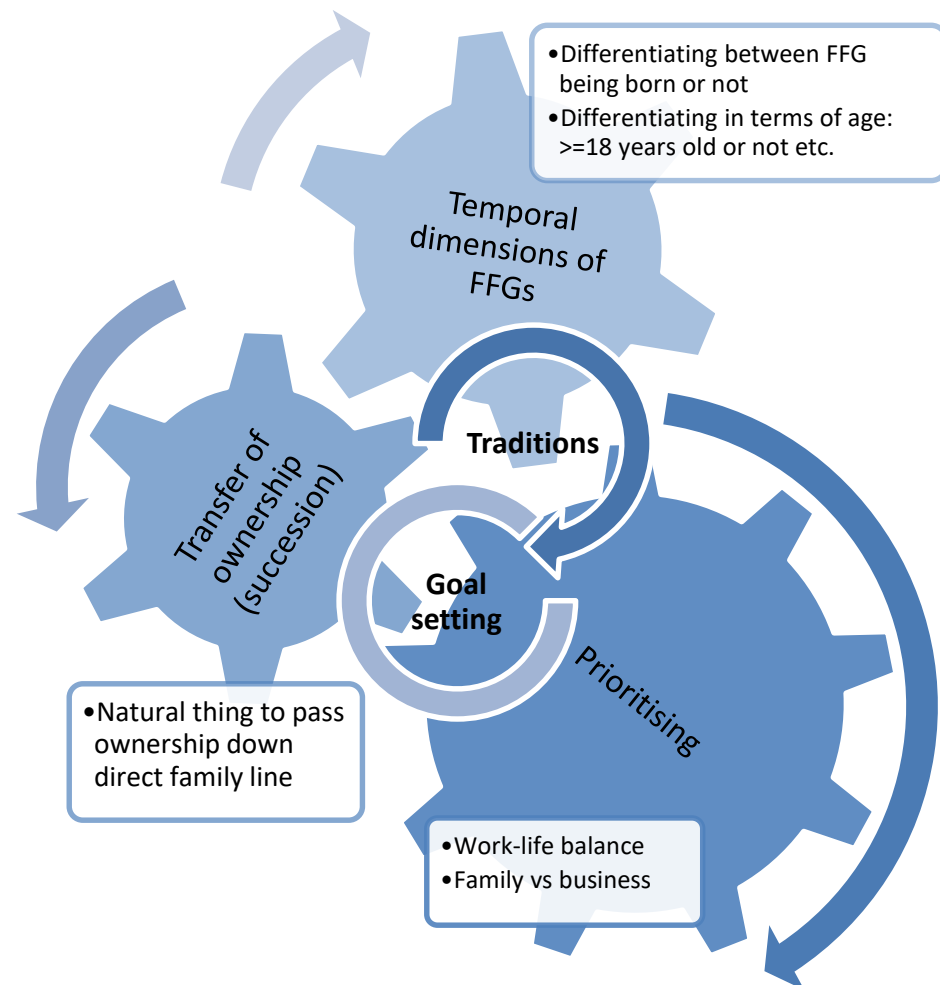


Figure 20 Summary of identified (emerging) categories

Figure 18 (p.165) shows that one task of purposeful sampling was to address the research objectives (as with all other sampling phases). While the focus of the objectives was on the meaning given to future family generations in terms of stakeholder status and salience, another objective was related to who attributes specific status and/or salience. The purposeful sampling only addressed the views of non-family firm owner/managers. Although new codes and categories were created during purposeful sampling, none were regarded as specifically (only) applying to non-family firm owner/managers. However, an identified difference was the lack of intended action based on their views of future family generations (as highlighted in Figure 21, p.169). Appendix 8.6.5 provides example quotes for this category.

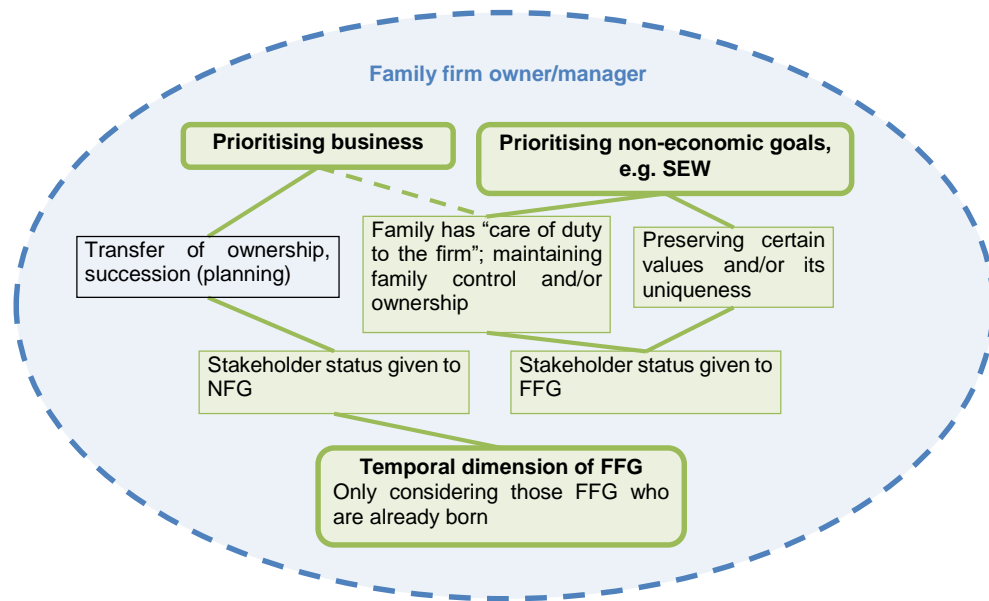


Figure 21 Illustration of newly emerging codes and categories and their relationships

This identified lack of action as a result of views and emerging concepts led to sampling decisions in the theoretical sampling phase.

3.5.5 Theoretical Sampling

The purposeful sampling phase identified that while non-family firm owner/manager employees appear to assign similar meanings to future family generations and do so for similar reasons as family business owner/managers, they do not intend to act upon these. As a consequence, this research's theoretical sampling focus was on family business employees who were part of the owning family at the time and were also active in the business in a leadership role (either as CEO or MD, or as chairman of the board or similar, depending on the size and type of business).

Chapter 3 Section 3.4.2.1 provided a theoretical perspective on the purpose of theoretical sampling and its approach. In summary, theoretical sampling guides where research is going, i.e. following emerging theoretical concepts (Charmaz, 2014a). Further, it is: "strategic, specific, and systematic. Because you use it to elaborate and refine your theoretical categories, conducting theoretical sampling depends on having already identified a category. This pivotal grounded theory strategy helps you to delineate and develop the properties of your category and

its range of variation” (ibid., p.199). Charmaz also argues that “[e]ngaging in theoretical sampling prompts you and *predicts* where and how you can find needed data to fill such gaps and to saturate categories” (ibid., p.199). The overall purpose in her view is therefore to “narrow [the] focus on emerging categories” and “to develop and refine them” (ibid., p.205).

In order to follow Charmaz’ approach to theoretical sampling, it is necessary to have established existing (emerging) categories. In this research, these were developed during the purposeful sampling (illustrated in Figure 19, p.166). During the theoretical sampling, specific focus was placed on three emerging categories: the temporal dimensions of future family generations, transfer of ownership, and prioritising (family or business). The additional two categories of goal setting and traditions were seen as all-embracing categories, or as underlying themes⁹⁰ rather than categories as such.

The sampling choice for the theoretical sampling phase was based on findings derived from the previous sampling phases. Although the non-family firm owner/managers who were interviewed provided additional data leading to new codes and categories and ultimately an emerging concept, none of this new data was regarded as exclusive to that sample group by the researcher. This assumption was partly based on the interviews during initial sampling, but also on personal experience of working in family firms for several years prior to this research. However, as has previously been established, none of the non-family owner/managers interviewed displayed the wish to act upon their views of future family generations. As a consequence, the choice of sample for the theoretical sampling was to use family business owner/managers only (family firm internal stakeholder type “7”, p.159).

This approach not only allowed the confirmation and expansion of the emerging concept; it also established that in family firms, the important entity with regard to attributing stakeholder status and/or salience, and thus taking charge of stakeholder management (of future family generations), is that of the family

⁹⁰ Although Charmaz is against using *themes*, the terminology is used here in this context to emphasise the differentiation between emerging theoretical categories to be followed up during theoretical sampling, and underlying assumptions made by the researcher.

business owner/manager and not “any” manager, as has previously been proposed by some stakeholder theorists. Moreover, the sole focus on family firm owner/managers during theoretical sampling allowed more detailed data to be collected on the business history and past family generations (in charge), and the potential traditions specific to the business. The overall aim for theoretical sampling was to fill (i.e. saturate) the codes and categories of the emerging conceptual model.

Focused coding was employed during theoretical sampling in line with Charmaz (and illustrated in Figure 9, p.115). The focused coding, leading to theory building, was based on the three core-categories identified during the purposeful sampling, as mentioned above. Ultimately, the theoretical sampling and data analysis led to the creation of the coding structure shown in Figure 22 below (an overview of code examples is provided in Appendices 8.7.1 to 8.7.3)⁹¹.

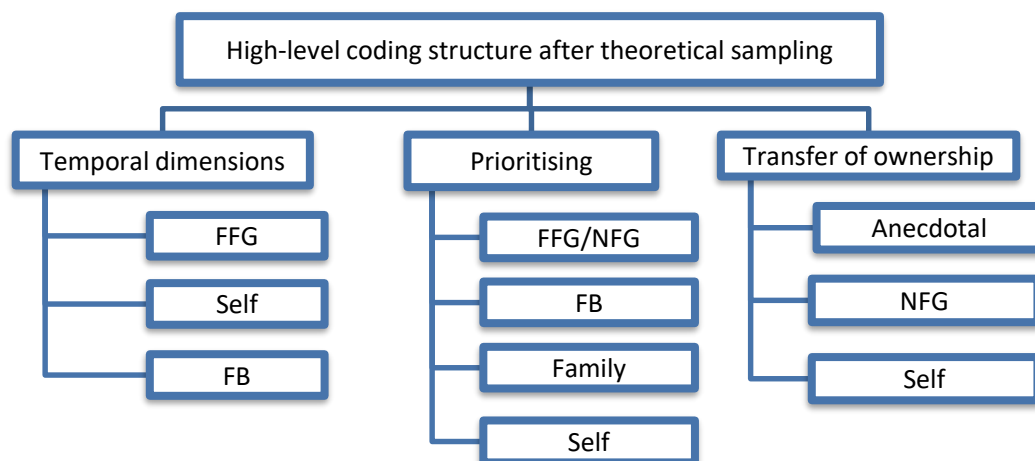


Figure 22 Coding structure after theoretical sampling

In addition, as the purposeful sampling phase had already identified, *traditions* and *goals* (and goal setting) were identified as topics linking several codes and categories together, acting as underlying aspects. Some codes and categories identified for the aspect of “tradition”, specifically in several cases with “breaking with traditions”, are illustrated in Figure 23 (p.172). Changes in traditions were

⁹¹ The coding structure shown refers only to those codes and categories identified as relevant to the meaning given to FFGs, not who are assigning that meaning.

identified as playing an underlying role in the meaning being given to future family generations and their stakeholder status and/or salience, and thus had to be included in the theoretical considerations (see Appendix 8.7.4 for examples).

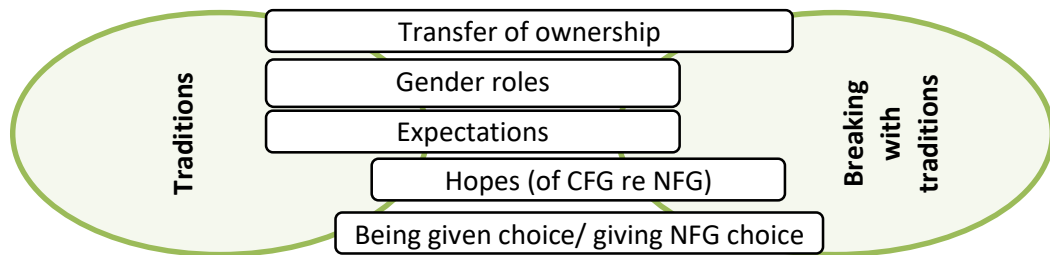


Figure 23 Relationship of codes in tradition and breaking with tradition

Although goal setting and prioritising are similar constructs, Figure 24 below highlights some specific examples of goals identified that led interviewees to prioritise specific entities over others, and as a consequence to attribute stakeholder status and/or salience to an entity of future family generations, or not to do so (more examples are included in Appendix 8.7.5).

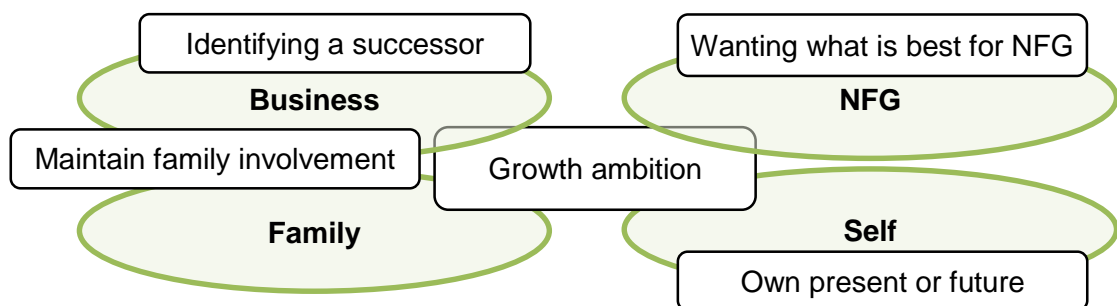


Figure 24 Illustration of relationship of codes linked with goal setting

Similarly to the “traditions” aspect, “goal setting” was found to be more an underlying aspect for several codes and categories than a category in itself. This is illustrated in Figure 25 (p.173), together with the three core-categories identified in this research.

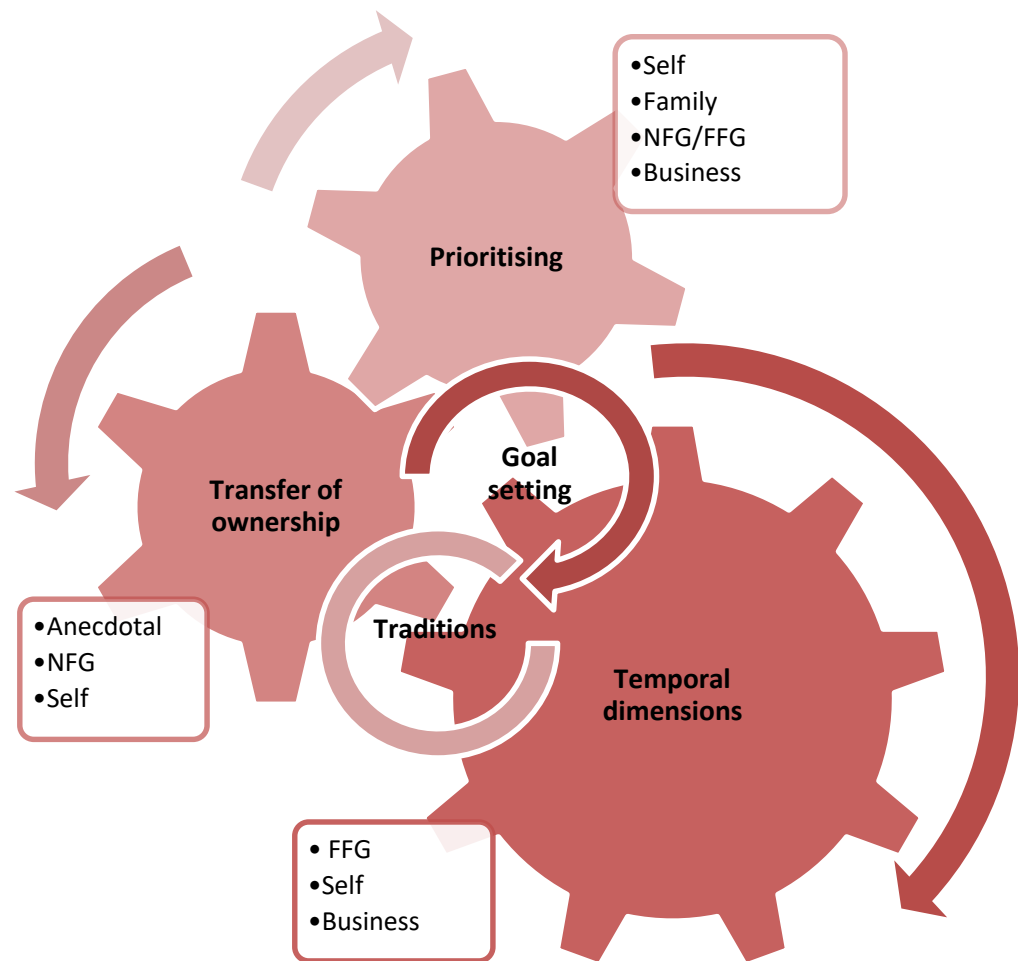


Figure 25 Summary of identified core-categories and underlying aspects

The following sections in this chapter provide an overview of the final coding structures with regard to the categories *Temporal dimensions*, *Prioritising*, and *Transfer of ownership*. These categories and codes form the basis for developing the theoretical concept in this research and are thus critical to its outcomes. Chapter 4 (Findings) then goes on to provide evidence in the form of interview quotations as to why these codes were regarded as important in this research.

3.5.6 Category: Temporal Dimensions

The most important category identified early on in this research was that of Temporal Dimensions, specifically in relation to future family generations (as discussed in the previous section). However, during the research it emerged that other Temporal Dimensions are also potentially of relevance; these are the

Temporal Dimensions of the interviewee him/herself (*self*) and of the *family business* (see Figure 26 below).

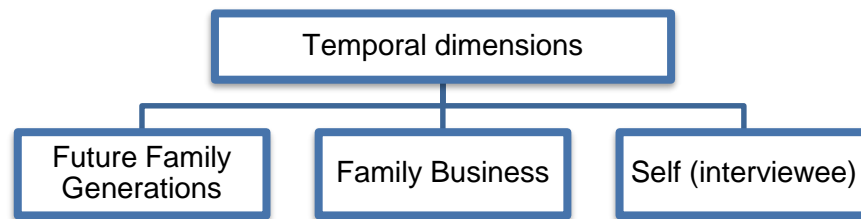


Figure 26 Core category of *Temporal Dimensions*

Within the core category of Temporal Dimensions, the most important sub-category identified is that of Temporal Dimensions of Future Family Generations. Its (hierarchical) coding structure is illustrated in Figure 27 (p.175).

Interestingly, David was the only interviewee who seemed aware of the application of a Temporal Dimension when pointing out the stage at which he felt his own children became stakeholders for the company. In all other interviews (with the exception of interviewees whose family firm constitution specifies a certain age and/or education level) it did not appear that interviewees were consciously making a temporal differentiation. Instead, the differentiation was identified by the researcher as part of the data analysis process – based on the stories interviewees had told either during the interview or in informal conversations before or after.

The second category identified as part of the core category Temporal Dimensions relates to the family business, which are seen in connection with its life-cycle (stages) or a similar temporality of potential relevance in the business context. Figure 28 (p.176) provides an overview of the coding structure.

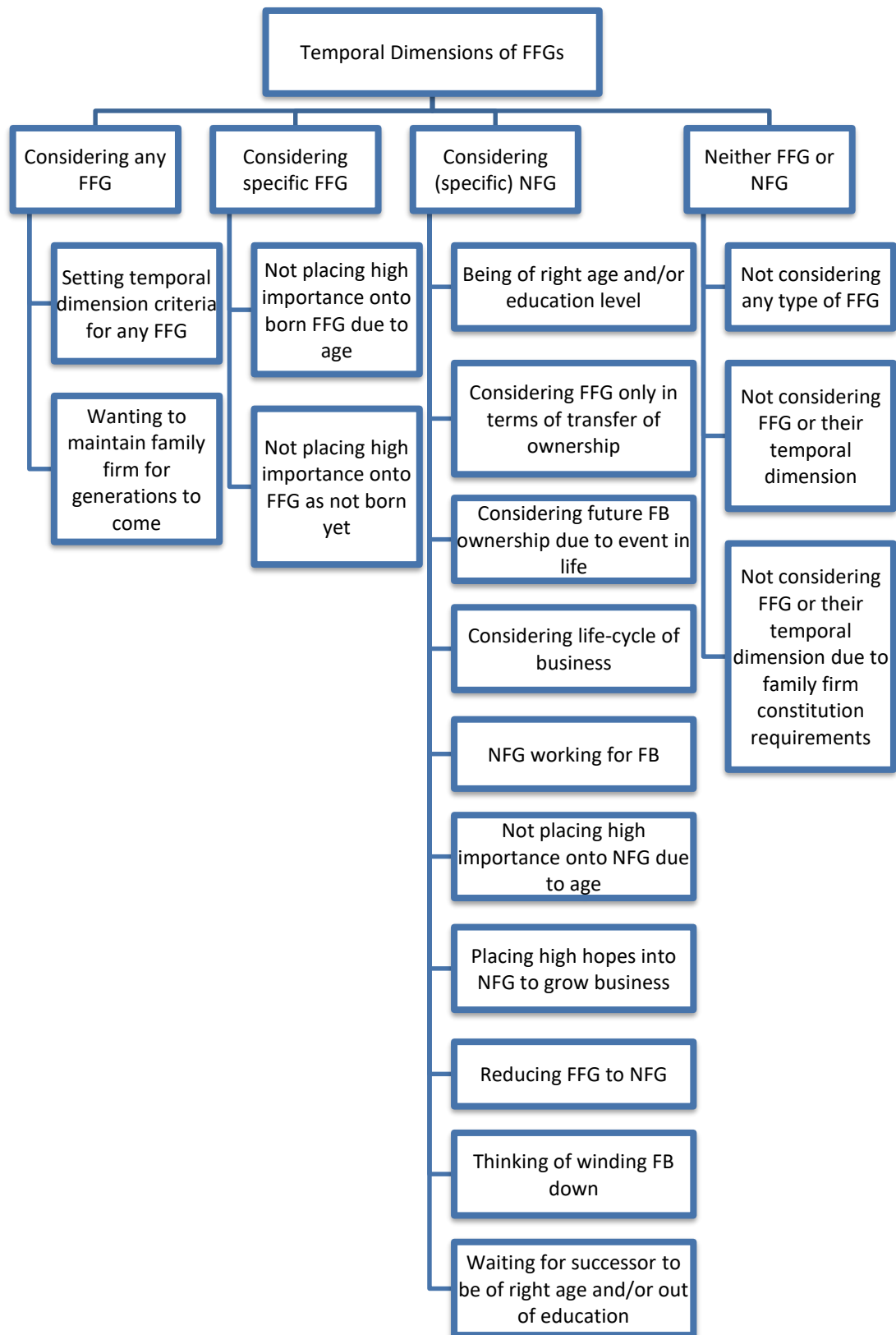


Figure 27 Coding structure of the Temporal Dimensions of future family generations

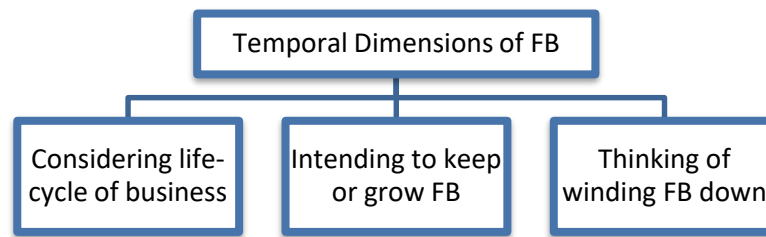


Figure 28 Coding structure of Temporal Dimensions of FB

The third category within the core category Temporal Dimensions relates to the interviewee and is illustrated in Figure 29 (below).

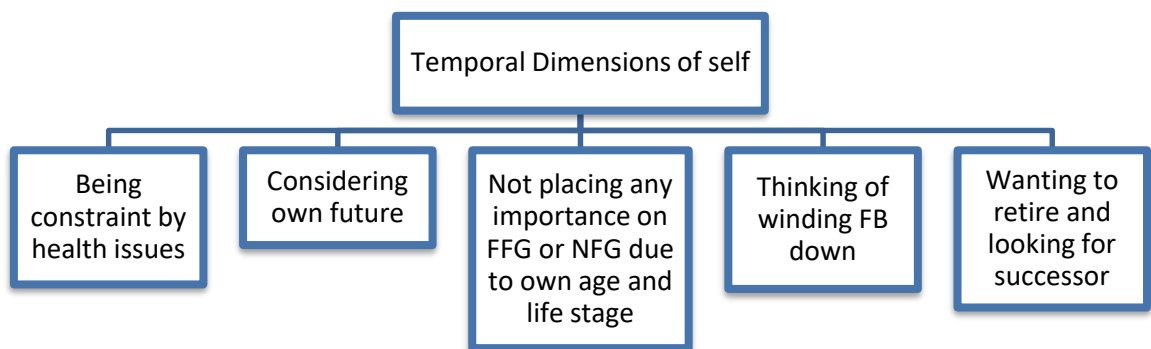


Figure 29 Coding structure of Temporal Dimensions of self

3.5.7 Category: Prioritising

The core category of *Prioritising* was found to be divided into four sub-categories, relating to: the business, the family, future family generations, and/or the interviewee him/herself (see Figure 30, p.177). While some codes are clearly linked to goals and goal setting, others are less obvious, so Prioritising was separated from the underlying aspect of goal setting.

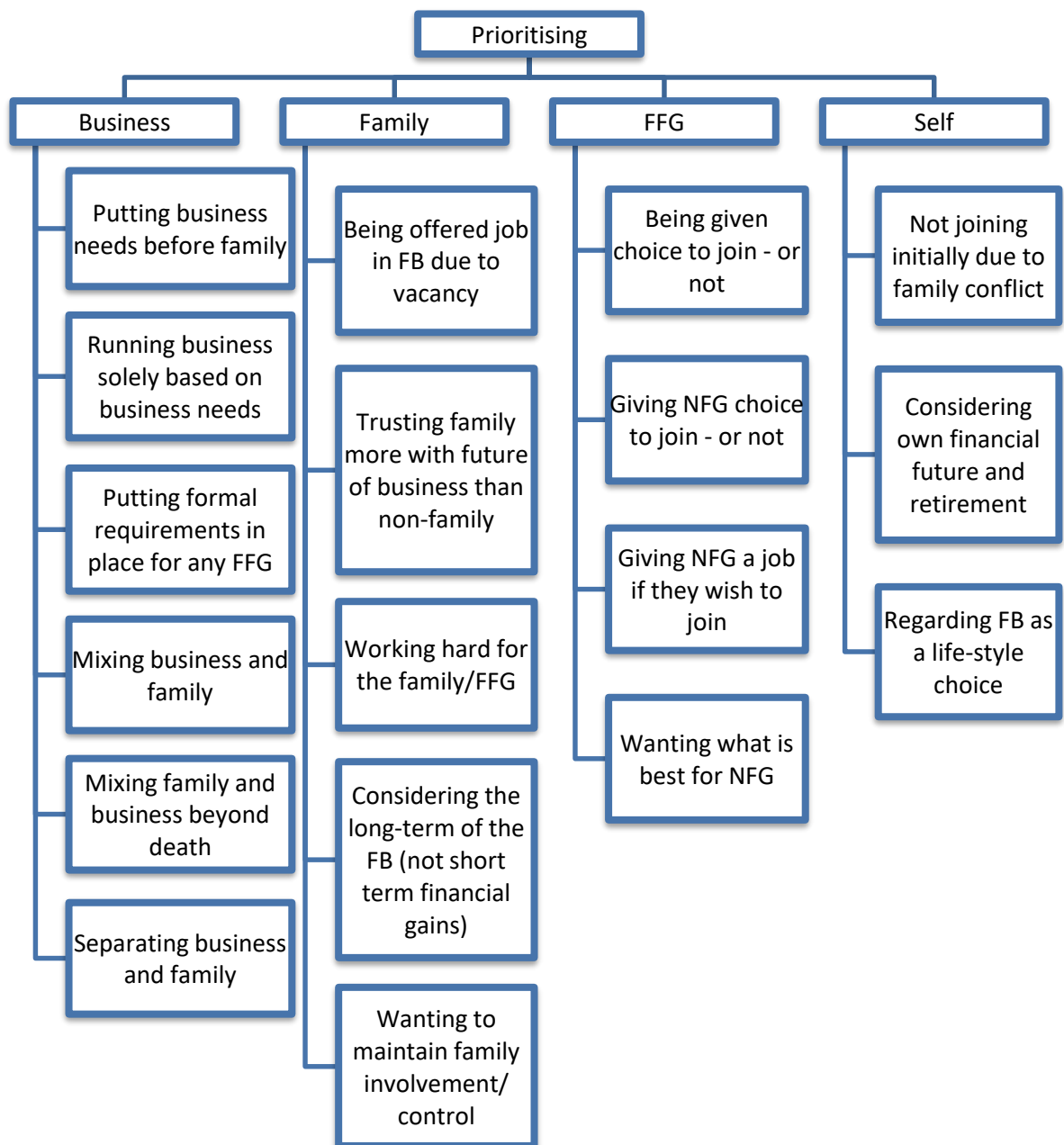


Figure 30 Coding structure of *Prioritising*

3.5.8 Category: Transfer of Ownership

The third core category, Transfer of Ownership, is divided into three sub-categories (see Figure 31, p.178). Unlike the other core categories, these sub-categories have a somewhat temporal dimension. The temporality of the core category of Transfer of Ownership is related to the experience, i.e. whose story it is, and when it was experienced.

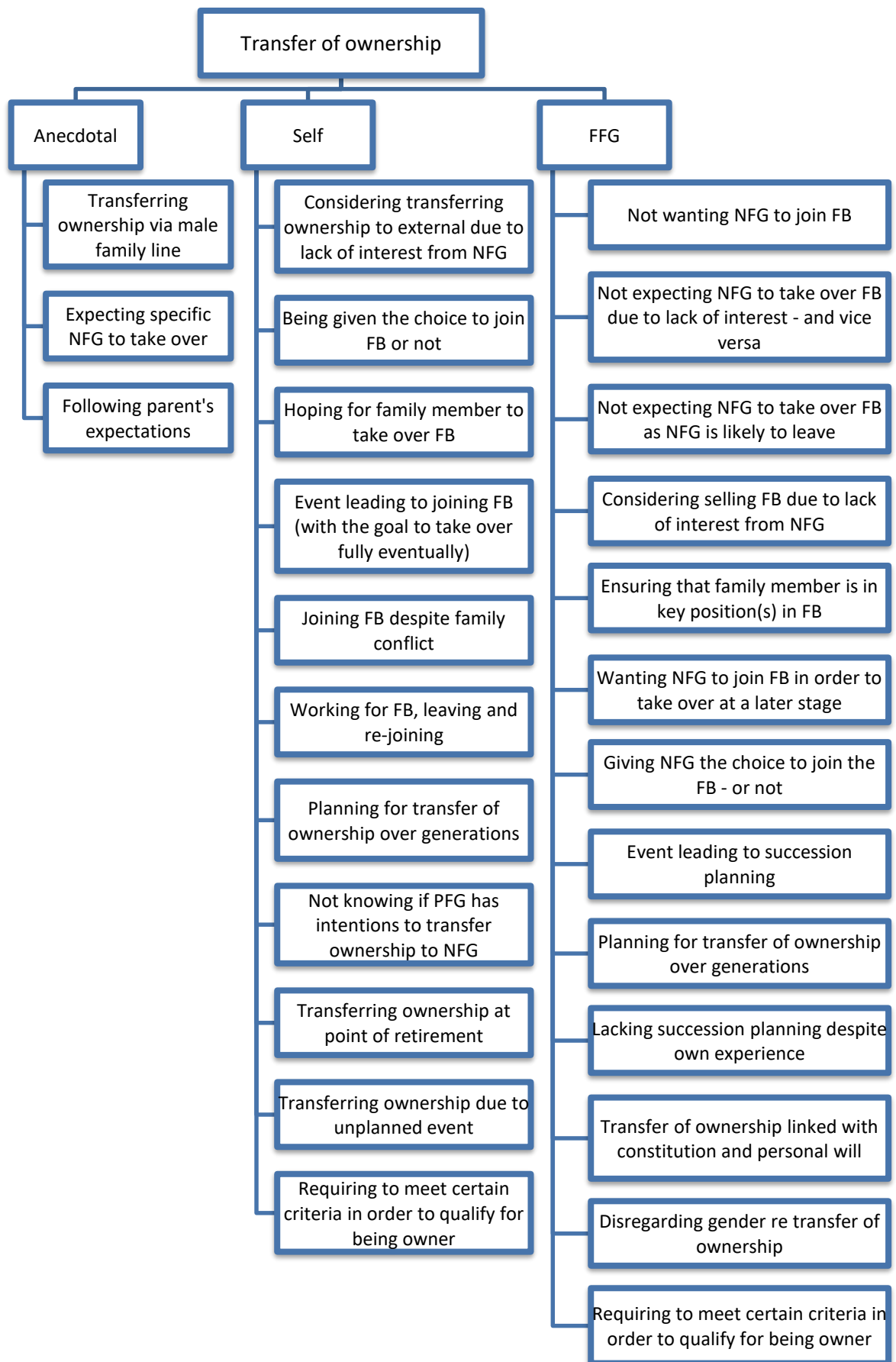


Figure 31 Coding structure of *Transfer of Ownership*

Temporality is linked with the past of the family business (via anecdotal stories from previous generations), the present (how the current generation was treated), and the potential future (how the current family generation is considering the next, or any, future family generation in relation to the transfer of ownership).

3.6 Reflexivity on the Research Process and its Execution

The findings from this research led to the development of a conceptual model of the meaning given to future family generations in terms of their stakeholder status and/or salience. In doing so, they support the research decisions made prior to the data collection and analysis. Specifically, the use of Charmaz' constructivist grounded theory in combination with face-to-face interviews has been shown to be a suitable and valuable approach. It enabled findings that contribute to knowledge and stakeholder theory specifically, but also to family business research, as will be highlighted in the following chapters of this thesis. However, the use of (constructivist) GT has also been "messy" in the sense that it is non-linear, as was expected before the research began. The provision of information about the development of codes and categories (and coding structures), and models and concepts over time which underpin the research process execution highlights how the application of a GT strategy led to changes. Until close to the end of the research process, each interview provided new data which had to be considered in relation to the overall emerging concept, but also to inform and guide subsequent interviews. This constant ongoing change can easily be described as a "messy" process itself. Moreover, the uncertainty of success in determining and following (perceived) emerging concepts that may not lead to the desired outcome added to the "messiness". Nevertheless, looking back at the whole research process, it becomes clear that it was the right choice of research strategy and that it led to interesting avenues for future research.

Unlike many other (GT) academics, Charmaz promotes the use of gerunds for coding purposes to code for actions and processes rather than themes and topics. The application of that approach in this research has confirmed that it makes a difference to codes and to the researcher's view of the data, and ultimately to its analysis, i.e. interpretation. However, the research execution, and especially the reflexivity during the purposeful sampling, identified that a

more mixed approach should be favoured. The use of gerunds for basic codes and their direct categories was found to be useful, but linking codes and basic categories with the literature became easier later on when looking for themes and topics. Moreover, this also appeared to be the case for developing concepts. As a consequence, this research moved away from the sole use of gerunds for coding purposes, and instead applied a mixed approach at higher levels in the coding structure, especially for some core-categories and underlying aspects. This decision is not regarded as a contradiction of Charmaz' view, as it followed her general view that methods, including those used in analysis, must be suitable for the research.

Coding in general, and especially using gerunds, creates a risk for the researcher as they are using his/her own language based on an interpretation of the data. This risk must be taken into consideration when doing data analysis, especially beyond coding. And again, as with every step in constructivist GT research, memo writing and the reflexivity of the researcher play a key role in shaping the research outcome. One way of counteracting this potential early-on-bias in interpretation is to communicate the research (findings) with someone who is not immersed as deeply in the data as the researcher to gain a more neutral perspective that allows the data and its interpretation to be questioned from potentially different angles. It thus follows that the application of (constructivist) GT is most suitable for research projects with two or more researchers, either all full-time or at least one full-time and others partly involved; but that approach was not possible in this research. It is the intention of the researcher to consider it in the future and, in fact, where feasible, it is proposed that it becomes the favoured way to carry out (C)GT research.

The theoretical considerations of the interview process identified the risk of the interviewee either deliberately or subconsciously failing to provide all the information they possessed which could potentially be of value for the research (see for example Figure 11, p.137). This issue was confirmed in the research, having been exhibited by some interviewees opening up much more after the recording had finished (or not wanting to be recorded in the first place). One interviewee specifically said that he would not make statements on a specific subject during recording (before opening up afterwards).

Managing these issues is a problem for any researcher, but especially for the novice researcher. In the present research, though, the personal and professional experience of the researcher lowered the associated risk. The assumptions made by the researcher prior to conducting the interviews were implemented and found to be successful: The researcher must aim to develop a relationship of trust with the interviewee as early in the interview process as possible; an approach that has been recommended by experienced (GT) academics (Corbin & Morse, 2003). One key element of achieving that in this research was the early realisation of success in inviting the interviewee to talk about a familiar subject; their experience of growing up with the family business. Obviously, some interviews were more successful than others in that sense, but as the reflexivity section for each interview in the interview protocol documented, the researcher's view in all cases was that it had been achieved to a high degree; indeed, no related concerns were noted against any interview. In part, this may be traced back to the researcher's approach during the interviews. In cases where a slight hesitation was recognised by the researcher during the recorded interview, critical points were followed up on again during the informal chat that usually followed. Although this led to some key information not being recorded and therefore being unavailable in the transcripts, this is regarded as a suitable approach to limit risk.

As pointed out previously, it is regarded as good practice in academic research to record and transcribe interviews (if nothing else, it helps with data analysis/coding as it provides an accurate account of the spoken words). In this research, which used a GT approach, it was found to be absolutely essential. GT in general dictates an iterative process between data collection and analysis to enable the researcher to follow the emerging concepts. In return, following new concepts requires the researcher to return to already analysed data. However, this is only possible if the interviews have been recorded and transcribed. In this research, it was found on more than one occasion that information had been missed in the initial data analysis or that, over time, the researcher's own perspective(s) had changed. These changing views and in some cases evolving interpretations of data continued into the writing up stage of the research, highlighting the point made by Kathy Charmaz and others, that the researcher is not neutral, and neither can s/he be regarded as separate from the data.

One interview highlighted that the interview process itself may also have had an impact on the interviewees' views and assumptions. The recording of that interview had to be terminated a few minutes after beginning, as the interviewee became very emotional; he admitted as much and requested that the recording be halted. Looking back at the interview and the questions that had been asked immediately prior to this request, it becomes clear that the line of questioning had forced the interviewee to link certain things in his life together that he hadn't done before, or at least not in this way or to such an acute degree. Although the interview continued after a few moments (without resuming the recording), it is beyond doubt that the interview had had an impact on this interviewee and how he sees either himself or members of his family. It thus emphasises a point that was made by Corbin and Morse (2003, pp.346-347) some time ago: It is the researcher's responsibility to "judge and respond to the emotional state of the participant"; that is, the researcher has to follow a code of ethics.

The research execution highlighted to the researcher the importance of memo writing and reflexivity. Moreover, it highlighted the need for the researcher to remain open minded about emerging concepts throughout the whole research process, including the writing up stage, and to be prepared at any point of the process to re-evaluate the prior data and its analysis, and assumptions which had been made. On the other hand, the research experience also revealed to the researcher the potential impact that research can have on its participants. While academia in the UK requires ethical approval before conducting research, it is the responsibility of the researcher to continuously evaluate his/her approach, its appropriateness, and react as/when necessary.

A previous section (Chapter 3 Section 3.4.4) provided theoretical considerations of "validity and reliability" in general, and specific to this research. Reflexivity was highlighted as a critical component in constructivist grounded theory research to achieve this in line with views by Charmaz (Charmaz, 2009, 2014b). One example from this research that falls into this category is the impact reflexivity (and related memo-writing) had on the research process, and consequently its "validity". During the first interview, it became apparent that interviewees may not be familiar with the terminology and/or concept of stakeholders. The interview

reflexivity and memo-writing highlighted this issue and it was addressed in subsequent interviews (by asking questions that would lead to the required answer without actually using the terminology of “stakeholder”).

The topic of validity and reliability is, however, especially critical in qualitative research - such as this study – due to the continued criticism of lack of quality from some academics. In recent years, several academics have attempted to provide guidance on validity and reliability issues in qualitative research (Charmaz & Bryant, 2011; Morse, 2002, 2006, 2015), including in family business research (Alfredo De Massis & Kotlar, 2014). The latter group of academics’ developed framework though makes reference to causal relationships, generalisability, and repeatability, which do not apply in constructivist grounded theory research. Instead, grounded theory researchers tend to promote the idea of “verification” to achieve rigor (Charmaz, 2011; Morse, 2015). Morse (and colleagues), specifically, suggested that rigor is a combination of validity and reliability (Morse, 2002; Morse, Barrett, Mayan, Olson, & Spiers, 2002). She discussed the appropriateness of using thick/rich descriptions and member checks⁹², as well as external audits and triangulation as part of it (Morse, 2015), but also the benefits of keeping a reflexive journal (including about the researcher bias) in line with Charmaz view. The latter point has already been evidenced by providing an example (above). The other points raised by Morse are addressed in the following, one at a time; in general and then specifically reflecting on this research’s context.

Morse (2015) considered triangulation as part of validity. She recommended its use where multiple-method research was feasible. As previously already established, the use of other methods than interviews were - and still are – not regarded as appropriate or useful for this research’s aim. It therefore is not a route for achieving validity.

Morse (2015) discussed “thick description” for both validity and reliability considerations (in relation to interviews). She concludes that as far as validity is concerned, it is a useful approach in regards to “adequate and appropriate

⁹² Academics refer to “member checks” when talking about the interviewee checking the researcher’s notes of the interview and/or the data analysis.

sample” (ibid., p.1217); she states though that the key is achieving saturation. In any constructivist grounded theory research – and this is present study is no different - the purpose of theoretical sampling is to achieve theoretical saturation. The reason why no more interviews were conducted was because no new codes/categories emerged in the last interviews that would change the conceptual model developed. It thus had to be concluded that saturation was achieved and thus validity.

Morse (2015) suggests that thick description as part of reliability is about “seeing replication/duplication” (ibid., p. 1219). This research has found replication, as evidenced by the conclusion of saturation – in terms of the properties of the conceptual model.

Morse (2015) further discusses the use of member checks, for both validity and reliability. She concludes that for both instances it is not a path that is useful or suitable.

Member check can be utilised for both data and analysis (Koelsch, 2013; Morse, 2015). Koelsch states that regarding data, it is “a means of verifying the accuracy of a participant’s words” (ibid., p. 12). This is not necessary in this research as all interviews were recorded and then transcribed; that is, the transcriptions are a direct copy of the spoken words.

However, the use of member check for data analysis purposes is a different matter. Morse, Koelsch and other academics (Sandelowski, 1993)⁹³ have concluded that member checks bear a risk, and unless integrated into the research from the outset (as was done by Koelsch as an individual case write-up), are of no or little benefit. The reasons both academics give are manifold. For one, both academics agree that it puts the researcher into a difficult position if the interviewee disagrees with the analysis presented. Koelsch (2013) specifically makes the point that the interviewee cannot make an assessment as s/he is not familiar with the researcher’s theoretical or other knowledge. Secondly, the analysis is often the result of not one, but several interviews, i.e. data sets; thus, has become more abstract. This again puts the interviewee in a position of lack of knowledge and/or understanding. In this research, letting some interviewees see the whole analysis (as it cannot be separated out for individuals)

⁹³ In fact, she referred to member checks as an “illusion of technique” (ibid., p.1).

may result in some being able to identify other interviewees and their quotes. This is ethically not acceptable.

Another reason pointed out by Koelsch is the issue of changed views over time. She provides an example where the participant is requested to read her statements after a year, and admits that her views have changed since. It is a key point that Charmaz has made on more than one occasion as well (Charmaz, 2014a): the analysis of data collected during an interview is only valid for that specific incident. It cannot be repeated because not only have both the researcher and the interviewee moved on, but also because (ibid., p.111): “When you collect first-hand data, however, you see non-verbal behaviour, and hear their voices as well as see written accounts”. This has to be taken into account during data analysis and is not something another researcher can replicate at a later stage. Moreover, as Charmaz and Bryant (2011) established: “...conducting and writing research flows from views and values. These endeavours are not neutral activities. In this view, research products are not objective reports.” (ibid., p.293). Morse (2015) also rejects member checks on the grounds of reliability issues. She argues that in research that uses an iterative process between data collection and analysis – as is required in grounded theory – verification will have occurred automatically; just not with the same interviewee. This is a point of view that Charmaz and others have often referred to as “abduction” in (constructivist) grounded theory (Charmaz, 2008b, 2014b, 2016; Charmaz & Keller, 2016; Cooney, 2009; Morse, 2006; Thornberg, 2012): the researcher identifies a possible concept/category and aims to get verification of that during subsequent data collection.

External audits are another discussed route by Morse (2015). She concludes though that in regards to both reliability and validity they are of little use as they are too late in the research process as they are done after the completion of the project. In addition, in doctoral research, this option is not available in the first place. Interestingly, Morse and colleagues (Morse et al., 2002) have long argued for the researcher to take the full responsibility for rigor; that is, away from external reviewers and thus external audits.

Nevertheless, audit trails - on a more generic level than external audits - may be (and are regarded here) a route forward for qualitative research (Corley & Gioia,

2004; Gioia et al., 2012; Patvardhan, Gioia, & Hamilton, 2015), and especially constructivist grounded theory such as this present study.

Creswell and colleague (Creswell & Miller, 2000), and other academics discussed the combination of audits and thick description (Corley & Gioia, 2004; Gioia et al., 2012; Patvardhan et al., 2015) though as a form of demonstrating rigor. Interestingly, Creswell and Miller took a slightly different angle than Gioia and colleagues on the subject when arguing that thick/rich descriptions create the credibility in a constructivist reader's mind, whereas audits/audit trails are useful for the positivist reader. It may be that the latter is part of the reason why Morse and several colleagues (Cualitativa & Morse, 2006; Morse, 2006; Morse et al., 2002) have not advocated for audits, but instead for other verification strategies in the past that can be regarded as being based upon the tenets of grounded theory (research). Nevertheless, she more recently (Morse, 2015) emphasised the need for thick/rich descriptions again.

The previous section (Chapter 3 Section 3.5) provided the audit trail; as much as is feasible within the constraints of a doctoral thesis. The following chapter (Findings) provides the thick/rich description in line with Creswell and Miller, but also Morse, to establish credibility and thus validity of data analysis; that is, justification of interpretations of data by providing background stories and quotes from interviews.

CHAPTER 4 - FINDINGS

This chapter provides the evidence and reasoning behind the interpretations of the collected data (based on the codes and categories explained in Chapter 3 Section 3.5) that eventually led to the development of the conceptual model and, ultimately, to this research's contributions to knowledge. It takes account of the entire research process and so discusses all forms of data collected from interviews and/or created by the researcher, e.g. memos and interview protocols. Quotes from the interviewees are used to highlight the reasoning behind the researcher's interpretation of data, but also the process of developing the theoretical concept. The codes or categories developed for these quotes are shown in brackets at the end of each quote in dark blue letters.

The chapter starts by clarifying the terminology used, before addressing the operationalised research questions of "who" is the key entity to attribute stakeholder status/salience to future family generations, "what" meaning is given to future family generations, and "why" this was done and in what context, before consolidating findings. The "what" and the "why" research questions are combined in one section, but divided into whether stakeholder status (with/without salience) was identified by the researcher or not. Additionally, a paragraph on changes over time is provided to the latter too.

4.1 Establishing Terminology

In order to ensure that the researcher's interpretations of certain wordings are clear, the following definitions and interpretations are used from here-on.

References to "meaning" are used in relation to future family generations (FFGs). "Meaning" in this research is limited to considerations concerning stakeholder status and/or salience, in line with the aim and objectives of the research. Although decision-making is sometimes mentioned, it lies outside the scope of this research, and is only used to illustrate the researcher's interpretation where necessary.

The “salience” of a stakeholder in this research means the (interpreted) importance that a specific stakeholder holds for the interviewee (this is in contrast to Weitzner and Deutsch's (2015) interpretation). This research is not concerned with the measurement or the identification of the level of salience; rather, it is only concerned with the (interpreted) existence of salience. Some of the data collected in this research displayed ambiguity in terms of whether an interviewee places a low level of salience upon an entity, or only stakeholder status. This is pointed out where relevant and the researcher's interpretation is justified for that specific context.

One of the three core categories identified and developed as part of this research is labelled “transfer of ownership”. This was initially done in order to be able to differentiate between generations, i.e. the previous or any past family generation (PFG), the current family generation (CFG), the next family generation (NFG), and any future family generation (FFG). Initially, the entity which at the time of interview held majority ownership of the company and was active (referred to as the family business owner/manager) was defined as CFG, whereas any previous owners were defined as PFG. Any younger generation not yet holding ownership of the family business were defined as either NFG or FFG, regardless of whether they had been born yet or not, or whether they were yet active in the business.

Interviewees Astrid and David were initially the reason for the reference to ownership only, as they had both already held leadership roles at a time when they weren't yet regarded as the current family generation, i.e. the family owner/manager. However, over time, it emerged that the initial definition of “transfer of ownership” had to be more fluid by being extended to also allow for leadership transfer. Sharma et al. (2003a) referred to this as succession, arguing that it may incorporate either or both transfer of ownership and leadership. The reason for extending the transfer of ownership concept towards succession and consequently leadership was based on the interview with Rosie, whose father was still technically the majority shareholder and chairman of the board, but for health reasons had withdrawn from the day-to-day business years ago, and Rosie had since been regarded as the family business owner/manager, and thus the current family generation for the purpose of this research, by her colleagues. As a consequence, some codes or categories (as shown in Chapter 3 Section 3.5)

refer either to transfer of ownership and/or succession. In the following sections of this chapter, however, succession is used more often than not. This is not an issue, as it is not essential to have a clear differentiation between the two terminologies. Instead, it is important to acknowledge that both *transfer of ownership* and *succession* refer to the process and/or event of the next family generation becoming the current generation.

Another term used in this research that requires clarification is “potential stakeholder”. The data analysis identified that the majority of interviewees are unable to consciously associate stakeholder status to future family generations due to a lack of knowledge of the theoretical concept (of stakeholders). The researcher’s assumption was therefore that this is more likely to be done subconsciously. As a consequence, the phrase “potential stakeholder” was introduced, and was used in this research to mean that interviewees are interpreted as potentially, or most likely, associating stakeholder status to future family generations (see Appendix 8.6.7 for example quotes). It is necessary to clarify this as its present use diverges from usage in some prior literature. Several academics have used the phrase “potential stakeholders” over the years (e.g. Bridoux & Stoelhorst, 2014; Pfarrer et al., 2008; Schwartz, 2006; Tashman & Raelin, 2013), and although most did not define what was meant by *potential stakeholders*, it becomes apparent from the context of their given examples that the authors were referring to those entities that may be identified as a stakeholder by the company (as part of an assessment process), and/or may become a stakeholder at some point in the future. Magness (2008), for example, made the latter interpretation explicit when stating that managers must consider potential stakeholders and their “shifting levels of salience among all stakeholder groups, both current and prospective” (ibid., p.180). In contrast, Mitchell et al. (1997) defined potential stakeholders the same way as non-stakeholders, as those entities, which have none of their identified salience attributes. The authors suggested though that the status of stakeholders may change not as a result of time, but because of changes to relationships, potentially meaning that entities become stakeholders at some future point.

The definition adopted in this research is that interviewees who express some form of consideration for (certain entities of) future family generations are

interpreted as giving stakeholder status or, in most cases, *potential* stakeholder status to these entities, depending on the context. It is acknowledged that this is a critical point in data analysis and thus interpretation, and is further discussed in Chapter 6 (Section 6.1 Limitations of Research).

Lastly, future family generations (FFGs) in this research are regarded as a group of stakeholders, consisting of individual family members who may or may not have been born yet. An “entity” of FFGs is a portion of the entirety of the stakeholder group FFG. For example, all individual family members who have not yet been born form the theoretical entity, i.e. subgroup, of unborn FFGs.⁹⁴

4.2 **Who is the Key Entity with Regard to Future Family Generations?**

The literature review identified a general academic acceptance that family firms have an internal stakeholder model consisting of three entities, arranged in a Venn diagram: the family (members), owners, and managers/employees (e.g. Hoy & Verser, 1994; Lansberg, 1988; Sharma, 2003). The three circle model creates seven types of internal stakeholders, with the family member who is owner and manager/employee at the centre, i.e. the ultimate family firm stakeholder (see Chapter 3, Section 3.5.3 p.158).

Section 4.2.1 justifies why the researcher interpreted the data in such a way as to conclude that family business owner/managers, the ultimate stakeholder, are more likely to act upon their views on behalf of the firm. This finding is a combination of data from the initial sampling phase and the purposeful sampling. During the initial sampling, it emerged that the interviewed non-family firm owner/managers appeared to have no desire to act upon their views. This idea was followed up during the purposeful sampling by focusing solely on non-family owner/manager employees.

The research question posited initially concerning the “Who” question only considered the type of entity that attributes stakeholder status or salience to future family generations, i.e. who is the human proxy of the family firm that

⁹⁴ While it may be argued that future family generations are themselves an entity of the stakeholder group “family”, this is not relevant to the present research and thus was not further considered.

speaks and acts on their behalf. It did not consider whether the same entity within the family business may also speak and/or act on behalf of individuals from the FFG stakeholder group. This latter perspective only emerged during the data collection and analysis during the purposeful sampling, and was followed up during the theoretical sampling. This aspect of a proxy for future family generations in relation to the family business is, however, regarded as important, so the reasoning for it is provided in Section 4.2.2 of this chapter.

4.2.1 Family Business Owner/Managers as Proxies for The Firm in Relation to Future Family Generations

The evidence that family business owner/managers are most likely to be the individuals who speak and act on behalf of the firm in relation to FFGs as stakeholders uses a reverse logic. That is, the evidence does not come from those proxies themselves, but from interviewees who are either non-owning family members or non-family employees, i.e. non-family owner/managers, most of whom were interviewed during the purposeful sampling.

The most extreme case for this finding came from interviewee Egon, who revealed a complete lack of knowledge and possibly even interest in the matter of future of the business and future family generations:

Well, I really haven't thought about that. I know his son. I know he has one son and one daughter. And we occasionally see his son here during the summer shut down periods, Christmas shut downs or he is sometimes here. I don't know what his son is doing at the moment and I don't know how keen he is for the [business]. (Egon)

[Having no view regarding the future of the FB; Having no view regarding FFGs]

His colleague Fritz, who is the FD of the same company, displayed greater awareness of these topics, but also expressed that he does not regard himself as in a position to make decisions in connection with family members, as the recent event of the MD's niece joining the firm shows:

Q: What was the key reason for her to join, do you know that?

A: Yes, she was a family member.

Q: So, did she want to join or...

A: We had the vacancy. We had a vacancy.

Q: So, there was a need in the business.

A: There was a need in the business for somebody and I would love to say she interviewed for the job and got it but the day she started I didn't even know her surname! It turns out very well because she's very good. (Fritz)

[Not being prepared to override family decisions; Not questioning fam o/m authority; Being offered job in FB due to vacancy]

Fritz's replies show his high level of awareness of the situation he is in, that is, that the family business owner/manager makes decisions on behalf of the firm even when it concerns his own department, and he accepts this authority. The niece's family ties with the family owner/manager are clearly the reason for this behaviour, i.e. her position as a next family generation member. Fritz also provided another example explaining that he follows the directions of the business owner that are clearly influenced by family considerations rather than the priorities of the business. The business requires capital to be raised in order to make necessary investments. However, due to the lack of finance available from the banks, Fritz was faced with this situation:

So, if we want to move we have to raise the money elsewhere. Now, one of the ways to do so, one of, probably the only way to do so is for a release of equity in the business which therefore would mean that the family owns less of the business. They're not prepared to look at that at the moment. (Fritz)

[Leaving decisions up to fam o/m]

Again, this example suggests that Fritz follows the family business owner/manager's lead regarding decisions that may impact on the long-term future of the family ownership, but which also prioritise the family's interests rather than those of the business. In addition, Fritz recognises that not only is his work strongly influenced by David (the MD's) views, but that the other shareholders of the firm, i.e. David's wife, sister and mother, are too:

I think they would be guided by [David]. [...David] is the one that's making the decisions. (Fritz)

[Not questioning fam o/m authority]

The FD of another family business, Tom, appeared to hold similar views and attitudes to Fritz concerning who makes decisions on behalf of the business, including those potentially impacting the (owning) family. He stated that:

I think we're more flexible, we can make more decisions. However, we're entitled to make mistakes like anyone else. I'd have to say, certainly [the current MD]'s far more measured in her decision-making process. (Tom)

[Not questioning fam o/m authority]

Although the company has a board of directors, this comment implies that Tom regards the current MD as the key decision maker in the business. While he began by referring to “we” (plural), he ended with “her” (singular, referring to the current MD) in terms of the decision-making process. This is likely to hold true for decisions in relation to stakeholders, too, and consequently implies that Tom does not see himself as being in a position to decide who is given stakeholder status and salience, but instead associates that power with the family firm owner/manager as per the proposition by Mitchell et al. (Mitchell et al., 2011). This interpretation is confirmed by the answer Tom gave when asked about where he sees the company going in terms of the next generation:

I have absolutely no idea.

To the question of whether succession planning is in place, he responded:

None whatsoever. [The former MD] never had any and there remains none in place. So all I could do is conjecture and speculate. No idea what [he] intends to do. His comment that he's said to me is, “Well, there's no real tax problem with it going to [my wife],” his wife, so he chuckles and says, “Och, well, it'll be [my wife]'s problem.” Which is perfectly reasonable. What [his wife] will do with it, I have no idea. How she'll bequest it to the girls, I have no idea, whether through a trust or something to try and mitigate taxation, no idea. I have suggested proper tax planning should take place, but as of yet there hasn't. So I don't know what more I can do from my way of trying to assist that process. It really would be up to them to grasp the nettle of what they want to do with the next generation. However, once they decide to grasp the nettle I'd be more than happy to work with them. I'm always keen to minimise any tax. (Tom)

[Not being prepared to override family decisions; Not questioning fam o/m authority; Not pushing for succession decisions]

As can be seen from the excerpt above, Tom does not feel that he is in a position to make succession planning decisions, instead leaving considerations of the next or any other future family generations to the owning family.

Ursula, Tom's HR colleague, appeared to hold a similar view that the current MD, i.e. the current family generation in charge, is the key decision maker, as suggested in the following quote.

I think everyone's aware that if [Rosie] doesn't want something to happen, it won't happen. That's the way it is and everyone knows that's the direction in which the business is going, [...] Everyone knows she's the main decision-maker. (Ursula)

[Not being prepared to override fam o/m decisions; Not questioning fam o/m authority]

Similarly, she regarded succession planning as not part of her job (as HR manager) or as anyone else's concern but the family's. She is, however, acutely aware of the potential consequences of not having a formal (or informal) succession plan in place, especially after the previous succession happened suddenly and in an unplanned manner due to an event:

No, there was no thought to succession planning and as far as I'm aware there's no further thought to succession planning. [...] Fortunately it's worked out well. (Ursula)

[Not pushing for succession decisions]

Furthermore, Ursula appeared to attribute the lack of succession planning to the current MD's age:

I think that's because [the MD] thinks she's young and that there's plenty of time, but of course none of us know. No, I'm not aware of any succession planning. Now, things may change if [her father] was to pass away and her mum was to pass away. I'm not sure. It might make things become... (Ursula)

[Associating lack of succession planning to current fam o/m age]

The above quotes suggest that Ursula believes that something should be done, but, again, that it is not up to her to take action unless instructed by the family business owner/manager to do so.

Sarah, another non-family colleague of Tom and Ursula, the PA to the current MD, gave the impression that she is aware of informal discussions within the firm-owning family branch. She also appeared concerned about the lack of formal succession planning, but like Tom and Ursula, she did not intend to act on that view, instead preferring to leave decisions and actions to the family business owners.

Viktor is a non-owning family member in the same firm as Tom and Ursula. He commented that as a family member, “I think you do have a duty of care”. However, taking a similar perspective to his non-family colleagues in directorial positions, he does not regard himself as a decision-maker, and especially not in relation to succession and future family generations. His reasoning appears to be linked with the fact that he is not part of the family branch that owns the business. It also became apparent in the interview that he feels resentment; after the official interview recording finished he said that he used to attend family council meetings, but no longer does so now that his younger cousin is the MD.

Ismail, Jakob, and Karl, who are non-owning family members in another family firm, expressed an interesting view that slightly differs from other interviewees: They do not see themselves primarily as family members, but as employees. Karl, for example, when asked whether he sees himself as family or an employee, stated mostly employee, because the directors:

...treat us all, the employees, very well and so I don't think there's kind of favouritism shown to us as family members if you like but at the same time, that's not because we're not valued if you like. Do you know what I'm trying to say? Everyone is valued and everybody's contribution is valued so therefore that really belittles the family connection a little but it doesn't because your voice is always heard. (Karl)

[Not questioning fam o/m authority]

Partly, the interviewees' views of themselves as employees rather than as family members seems to be based on their lack of business ownership. As a result, they do not feel it is their role to make decisions about the future of the business, and specifically succession. Jakob made this point clear:

I suppose in some ways it's not really up to me what happens to the next generation I don't think. (Jakob)

[Leaving succession (planning) to fam o/m]

Karl regards that decision as the right of the directors, which interestingly is a mixture of family members who are owners, and some non-family employees⁹⁵. Ismail, on the other hand, appeared to indirectly link it with the fact that he is not

⁹⁵ The chairman of the board of directors is the majority shareholder of the family business though and it is unknown as to how the decision-making process works within the board.

part of the family line that has been continuously involved in the business (creating the family line of business ownership). Jakob expressed similar views regarding ownership lineage:

I'd always realised that the company is passed down, not my little bit of the family. So it got to my grandfather and my grandfather made the decision. He came back from the War and he thought "I don't want anything to do with this", so he went and did something else and left his brothers to deal with it and so it kind of went down a different part of the family. So, I think I've always realised that I will probably never own any part of the business. I'm quite happy with that. I'm not particularly bothered. It's not high on my agenda to own part of the company. (Jakob)

[Not questioning fam o/m authority]

The consideration of family lineage and ownership appears to continue through to the futures of Jakob's and Karl's own children. Both interviewees seem to think of their own children more as a part of their own direct family's future than in the context of the family business. Jakob and Karl both agreed, though, that they would be happy to see some or all of their children join the business if they wished to do so, and were given the chance by the family member who owns the business at the time. Jakob expressed his thinking as follows:

Yeah, I guess at the moment they're too young. I suppose in some ways it's not really up to me what happens to the next generation I don't think; but I think everybody would be clear that they would never force any of their children to come and do this and that they would very much want their children to make a decision to come and do it, but because I don't own part of the company, the onus on my children is not to come and do anything. (Jakob)

[Leaving succession planning to fam o/m; Not regarding own children as potential future owners of FB]

Jakob's comment leaves little room for any interpretation other than that Jakob does not see himself as in a position (of power) to make decisions about the future of the business and succession, and specifically the involvement of future family generations.

Deirdre, the niece of the family business owner/manager, gave the impression during the interview that she had no view about the future of the business; she was, in fact, ambiguous about it. During an informal chat after the recorded interview had ended, she admitted that she disagrees profoundly with the old-fashioned way her uncle writes down all new orders by hand. However, she

specifically expressed the view that it is his business, and thus his decision and not hers. In addition, the researcher witnessed an interaction between Deirdre and her uncle later that same day which led to the assumption that she regards him as the key decision-maker in the business. Consequently, it seems that she, too, leaves decisions and actions regarding future family generations to the family business owner/manager.

Charles, who is Ben and Birgit's son and intended (known) successor, is technically not yet an owner of the business. Although this is only due to financial (tax) considerations, it appears that despite the voiced joint decision-making in the business between him and his parents, he is quite happy to follow his parents' wishes, partially confirming the original use of the code "transfer of ownership" as the important point rather than transfer of leadership.

Overall, all the examples given here suggest the key finding in this research: that ownership and active participation in a leadership role in a family business mean that family business owner/managers are regarded as the key decision-maker in the business, extending not only to the future of the business but, more importantly in this research, also to considerations of future family generations. This means that family owner/managers (who are the ultimate internal stakeholders in a family firm), become the proxy for the business in terms of stakeholder management related to future family generations.

4.2.2 Family Business Owner/Managers as Proxies for Future Family Generations

This study's research objective concerned with the "who", posited as a result of the identified gaps in the literature, relates solely to the entity that speaks and acts on behalf of the family business in relation to future family generations. As the previous section suggested, this research finds that the family business owner/manager is the human proxy most likely to speak and act on behalf of the firm. However, the findings from the initial sampling indicated that family business owner/managers may not only be the proxy for the firm, but may also in some cases become the human proxy for future family generations, or at least some

entities of them. This outcome is based on the interpretation of data from the interviews and is now highlighted with examples.

Fritz, David's non-family FD, provided the example of David not being prepared to reduce the family's equity in the company to enable the necessary cash to be raised for the business. While he assumed that investment decisions are made based on the needs of the business, he also added the following:

No, I think the overriding decision [for investments] is still for the same reason to expand the business or whatever rather than the fact that the children..., the fact that they would benefit long term, I think, is an added bonus...(Fritz)

[Assuming that FB comes first for fam o/m; Assuming that fam o/m children play a role for the future of the FB; Considering the long-term of the FB (not short term financial gains)]

This implies that Fritz assumes that David considers his current family, but more importantly his children, the next family generation, and also beyond as he talks about the long-term. Moreover, Fritz mentioned the required payback times for investments and compared these to his past experience in non-family businesses, concluding that David is less concerned with short payback periods provided these investments are regarded as necessary. Fritz therefore implies that David acts on behalf of his children, in order to maintain family ownership for the next generation.

David himself did not mention any of the examples that Fritz provided. However, he, along with several other family business owner/manager interviewees with young children (e.g. Hugo, Mark, Oskar), appeared to take their role of the parent in the (private) family context into the business context. Mark's son (14 years old), for example, has asked to work for him to earn some money:

So, [my son] asked me and I've said no, no, no, but I'll maybe get him in. its money he wants. Give him his due; he wants to make some money but whether he'll take it on further I cannae see. (Mark)

[Considering NFG as employee of FB; Not allowing NFG yet to work for FB possibly due to age]

Mark obviously makes decisions on behalf of his children, but he does so in the business context by refusing (at least initially) to let his son work in the family firm.

Similarly, Hugo spoke about his children, who represent the next family generation, too:

So I have three children. My eldest is 11, an 11-year-old girl, and an eight-year-old boy, and a four-year-old girl. They have said to me that they would like to come and work in the business. They don't really know what the business is exactly, okay. I think they just quite like the idea of it. (Hugo)

[Not considering the expressed interest of NFG due to age; Making assumptions regarding NFG due to age]

Hugo said that due to the age of his children, he does not consider these wishes in the business context. In addition, he put a certain timeline against them for potentially joining the business:

Absolutely. They will [have to finish their education first]. I've told my daughter that when she reaches High School so when she's 12 I will let her come in and do some Saturday job or help in the holidays. (Hugo)

[Differentiating NFG by temporal dimension; Making decisions on behalf of NFG due to age; Not wanting NFG to work for FB before certain age]

This suggests that Hugo, the family business owner/manager, not only speaks for his children, as the next family generation, in the business context, but also for the business in connection to his children. He therefore effectively creates a dual-role for family business owner/managers: a human proxy for the firm and a human proxy for some entities of future family generations; this is seemingly based on considerations of the age and education level of the next generation. This latter point emerged more and more during data collection and analysis. The research identified that some entities of future family generations are more likely to receive the family business owner/manager as a human proxy than others. The research largely finds that this is based on the temporal dimension of future family generations, a subject (i.e. core category in this research) that is addressed in detail in a subsequent section (Chapter 4 Section 4.2.1). Interestingly, becoming the human proxy for some entities of FFGs is not reduced to the direct family line, as the examples of Fiona and Astrid suggest. Neither has children of their own, but they do have several nieces and nephews, and second cousins, all of whom are 18 years or younger. Yet, in terms of succession considerations, both female business owner/managers appear to speak for the next family generation. Astrid does not include her nieces and nephews in succession considerations; instead she intends to “either sell it [NB the business] or rent it

out”⁹⁶. While Astrid’s considerations may be influenced by a former family conflict with her brothers, Fiona apparently has different reasons and has made assumptions about her young relatives with regard to the succession of the business:

Q *So the second cousins don’t feature at all in your thoughts?*

A *Not really, no.*

Q *Do you mind me asking why, because they are the older ones: they are 17 and 18?*

A *I don’t think they’re that interested. I think my cousin is very good in here but she doesn’t strike me as the type of person that’s business minded. She’s 18 now and she wants a career with child care. And her brother, he’s not... no, I don’t think he’s cut out for it. My niece and nephew probably wouldn’t want this type of business either because it’s... well, I’m very hands on. I’m not saying you have to be. You could have someone in managing it but then it changes the whole dynamic. (Fiona)*

[Making assumptions of NFG involvement in FB; Making assumptions for NFG; Assuming a lack of interest of NFG]

Fiona obviously speaks for her second cousins on business succession, and assumes that they are not interested due to their lack of expressed interest and intentions to do other things. Nevertheless, she had clearly included them in her considerations in the past:

[...] my nephew who’s 14, my niece who’s 13, and my second cousin who’s 18 all work with me, just on Saturdays. And my little other second cousin who’s just 17, he did work with us but then got an apprenticeship. So, from that young age, the age I was, we’ve encouraged them to come in and understand not the bones of the business but that you have to get up during the day, you have to come in and work to earn money. It’s not always about the working, to help your family, because sometimes they’ll come in because I need a hand. They will get a wee wage but they wouldn’t always get a wage. At Christmas if they’re here for 10 hours they might only get paid for five but it’s just they need to understand that you don’t always do it for money, that you need to... like, my husband, he helps because he’s my husband, but he has a different career altogether. (Fiona)

[Regarding it NFGs responsibility to help out in FB; Trying to teach NFG certain FB related rules as perceived by her]

⁹⁶ An informal meeting with Astrid approximately one year after the official interview led to the discovery that she had in fact given up her shop much sooner than she had anticipated at the time of interview, and that she was now renting it out to a third party.

It should be noted that Fiona had had all members of the next family generation work for her family business, thus effectively acting on behalf of the next generation.

An example from this research where the temporal dimension is of little importance but the family business owner/manager still assumes the role of proxy for the next generation is Lorenz. His younger son, who at the time of the interview was already older than 18, has a mental disability, meaning that Lorenz does not want him to work for there, as he feels he would be unable to cope with the day-to-day pressures. Again, Lorenz reveals that his parental role and emotions (from the private family context) influence the way he regards future family generations in the business context, i.e. he assumes the role of proxy for them, and in this situation prioritises his son over the potential business needs.

4.3 The Meaning of Future Family Generations with regard to Stakeholder Status and/or Salience from an Interpretative Perspective

The details provided in Chapter 3 Section 3.5 about the research execution highlighted that while a hierarchical coding structure was employed, the identified codes were linked in more complex ways than just a linear arrangement. This specifically applied to the aspects of traditions and goal setting (see Figure 25, p.173), and also to the meaning given to future family generations as identified in this research. The interviewees did not use specific sets of codes to create this meaning; instead, the research found that they used a combination of identified codes that depended on the context, that is, the story they told the researcher during the interview. However, they also depended on whether the interviewee was a family firm owner/manager or not, and therefore intended to act upon their views (see Chapter 4, Section 4.2.1). For example, evidence of codes in the Prioritising category was more likely to come from family owner/manager interviewees. This matter was not an issue in the research as it does not seek to generalise findings, but to investigate the range of variation.

The following sections set out the evidence gathered during all three sampling phases, thus amalgamating the data. While some interviewees were able to express clear views, many were not. As a result, the subsequent quotes provide

evidence for the researcher's interpretations of the data in terms of future family generations' stakeholder status and/or salience.

4.3.1 No Stakeholder Status and No Salience

The clearest instance of the meaning given to future family generations being “no stakeholder status and no salience” derives from the stories told by Fred and Bernd. Both apparently regard their businesses as a hassle and as hard work, which they do not wish for their children as the next family generation, as they want what is best for their children. In addition, both Fred and Bernd themselves do not wish to invest any further time or money into the business because of that, but also because they see the business as going downhill [Considering life cycle of business]. Moreover, potentially as a consequence of these other considerations, at the time of their interviews both intended to retire in the very near future [Considering own future]. Overall, their consideration of temporal dimensions of the business (going downhill) [Temporal dimension of FB] and of themselves (approaching retirement age) [Wanting to retire] together with their priorities for themselves (the wish to retire) led to the lack of a goal of transfer of ownership (within the family), but instead the intention to sell [Not wanting NFG to join FB]. Consequently, the next family generation, and indeed any generation beyond that, is of no interest or concern to them in the business context [Not considering FFG or their temporal dimension]. Moreover, both Fred and Bernd appeared to have had these views for some years as they both pointed out during the informal conversation that they had told their children to gain a qualification that would be independent of the skills needed in the family business [Not wanting NFG to join FB].

Another example of an interviewee view which could clearly be interpreted as a lack of stakeholder status was the story told by Lorenz about his younger son, who is over 18 years old and suffers from a mental (health) disability. As mentioned in the previous section, Lorenz does not want his son to join the family business due to the potentially stressful environment:

I didn't want [the business stress] for [my son]. I felt as though [my son] couldn't take the telling that I would need to give him at times, okay? (Lorenz)

[Not wanting NFG to join FB]

Lorenz therefore prioritises his son based on what he regards as being best for him [Prioritising NFG; Wanting what is best for NFG; Not wanting NFG to join FB]. Consequently, he does not regard his younger son as a stakeholder for the business, and therefore assigns no importance to him in the business context. His concern for his younger son is clearly driven by paternalism, i.e. the family context, and is thus independent of considerations relating to any other entity or member of future family generations [Prioritising family; Prioritising FFG].

A very different approach to the stakeholder status of future family generations was suggested by Rosie and Charles⁹⁷. Both interviewees are still young themselves, in their early 30s and late 20s respectively, and their parent(s) still (technically) own the majority of the family business. Neither of these two interviewees are married or have children yet, and both appeared not only to still regard themselves as the next family generation, but not to be looking beyond their own generation. Rosie only recently took over as MD of the family business from her father due to an event in his life (ill health), and she admitted that she does not (yet) consider any next family generation or beyond:

Q When you think of future family generations, how far ahead do you think? Do you see the next generation?

A No, I don't. I probably should, people tell me that I should, but I don't have any children. I'm not married. That's not to say I won't be, but yes, not as of today. (Rosie)

[Not considering NFG; Not considering any type of FFG; Not placing any importance on FFG or NFG due to own age and life stage; Lacking succession planning despite own experience]

Charles voices a similar view. Both interviewees thus exhibit an approach that is related to their own temporal dimension, including their perceived stage in life. Rosie almost seems to still regard herself as the next generation, not only because of her relatively young age, but potentially also because her father is, at least officially, still involved in the business.

Where these two interviewees' views differ, though, is in relation to their nieces and nephews. Charles does not mention them at any point in time and therefore

⁹⁷ Although technically Charles is not yet an owner, because this is only due to financial (tax) considerations, he is regarded as a family business owner/manager in this research.

can be interpreted as not even assigning stakeholder status to them, perhaps partly because their parents (Charles's sisters) are not involved in the business and will not own it in the future. Rosie, on the other hand, while not placing stakeholder status upon them as yet, clearly intends to consider them in the business context at a later stage of their lives:

I think until [they are] at least in their teens you can't really start to earmark [my nieces or nephews]. That's just my personal opinion. (Rosie)

[Being of right age and/or education level]

This is consistent with other interviewees' expressed views on the ages of their own children, i.e. the next family generation, in terms of the temporal dimension. Both Mark and Oskar have children under 16 years old. Mark is not yet looking for a successor for the business, and nor does he require an additional employee. In fact, he points out that "I could probably do it [NB the business] from a garage, to be honest with you". He is therefore not considering any of his very young children yet in the business context. In addition, Mark describes his older child (a 14 year-old son) as follows:

One week he wants to be policeman, next one is a fireman, and wants to be a footballer [laughs].

[...] He's just at that age. He's got a girlfriend. So he's just at that age now. I haven't even thought about it to be honest with you, haven't even thought about [handing over the business to my son]. (Mark)

[Being of right age and/or education level; Not placing high importance onto NFG due to age]

Oskar, on the other hand, expressed a desire to grow his business with the help of at least one of his children [Intending to keep or grow FB]. For that, he requires the next generation to reach the right age (and qualification level) [Placing high hopes into NFG to grow business]. As his daughter is not yet 16 years old he, like Mark, does not yet consider her in the business context, either as an employee or a potential successor. Hugo, who is in his late 30s, has very young children, the oldest being only 11 years old. Although they have already voiced an interest in joining their father's company, he appears to have disregarded these expressed wishes for now due to their age:

They don't really know what the business is exactly, okay. I think they just quite like the idea of it. (Hugo)

[Not placing high importance onto NFG due to age]

Over time though, with the aging of the next family generation, their own or Rosie's siblings for example, these family members may receive stakeholder status. As Hugo pointed out regarding their wish to join later in life:

Yeah, yeah, absolutely and if they decide they would like to come into the business then yes, there would be a place for them. (Hugo)

[Waiting for successor to be of right age and/or out of education; Not placing high importance onto NFG due to age]

While not yet assigning them stakeholder status due to their young age, this is likely to change over time, should they express the wish to join later in their lives. In some cases, they may even receive some degree of salience depending on the goals and prioritisation of the family business owner/manager. In general, Hugo's present approach seems to be to prioritise the business rather than pursuing the goal of maintaining family ownership of the business:

I think that ultimately for us as a business, the best thing for the business is to have the best people in the right positions. So [just] because you're family does not mean you get into a position. (Hugo)

[Putting business needs before family; Running business solely based on business needs]

Rosie, Mark, Oskar, and Hugo did not exhibit any considerations beyond the next family generation; in fact, not even beyond the already-born next generation, possibly due to their own age (Rosie, perhaps also Hugo), but also because of the age of those members of the next generation. Casper, Helena and Neil, on the other hand, already have grandchildren. Their lack of consideration for these grandchildren as stakeholders for the business appears to be based on similar reasoning to that of Mark and Oskar [Not considering FFG due to age]. The grandchildren of these interviewees were all still under three years old at the time of the research, and thus would be unable to contribute to the business, for example as an employee, for the foreseeable future. However, it also appears that the current generation leaves decisions in that respect to their children, i.e. the parents of their grandchildren, as Helena explained:

What [my grandson] does, or what the little sister or brother might do in the future, who knows? I think they [NB the son and daughter-in-law] would-, they're very grounded parents, and I think they would want the best. (Helena)

[Wanting what is best for NFG; Planning for transfer of ownership over generations]

Neil makes a similar comment when asked about the consequences for the business of the recent birth of his grandchild:

Nothing's changed. [My daughter and her husband] have got their own life and their own ideas so, I'm not really affected. (Neil)

[Not placing high importance onto born FFG due to age]

Consequently, no stakeholder status has as yet been conferred upon these grandchildren by the interviewees. Obviously, this may change over time.

A slightly different approach was exhibited by Fiona and Astrid. Neither of them have children themselves, but they do have several nieces and nephews, and in Fiona's case also second cousins (17 and 18 years old). Astrid admitted during the interview that there had been some conflict between her and her brothers many years ago, which was key in prompting her to start her own business independently of the rest of her family. It may be that this conflict still contributes to her view that her nieces and nephews will not (want to) take over her business in a few years. Additionally, though, she pointed out that should they be interested in joining a family business, it would be more likely to be their respective fathers' businesses:

My brother up the road has two sons. I wouldn't imagine he would want them to take over [my business]. (Astrid)

[Following parent's expectations; Wanting to retire and looking for successor; Reducing FFG to NFG]

In contrast, Fiona does not regard her second cousins as stakeholders of the business in relation to the transfer of ownership as they have never expressed any interest, and one of them has just started an apprenticeship elsewhere:

I don't think they're that interested. I think my cousin is very good in here but she doesn't strike me as the type of person that's business minded. She's 18 now and she wants a career with child care.

[...]

And my little other second cousin who's just 17, he did work with us but then got an apprenticeship. (Fiona)

[Not expecting NFG to take over FB due to lack of interest]

The latter point is interesting, as her own career path was outside the family business for many years before she decided to take over from her father together with her brother. Yet, she seems to assume that this will not happen with her niece and nephew, or her second cousins. Although Fiona did not specifically say so, she seems to assign stakeholder status to all her family members, including her second cousins, with regard to being a (potential) employee for the business. She specifically stated that she expects all family members to help out in the family business as and when needed; sometimes for no money or for less money:

So, there was my mum and dad, my aunty, two aunties actually, my uncle and then in the back room as volunteers my aunty helped with his wages, my uncle does the deliveries. [...] And then there was myself and my brother so there were nine members of the family in some respect, some paid, some unpaid and it's always kind of been like that.

[...]

So, from that young age, the age I was, we've encouraged them [NB the young relatives, i.e. next family generation] to come in and understand not the bones of the business, but that you have to get up during the day, you have to come in and work to earn money. It's not always about the working, to help your family, because sometimes they'll come in because I need a hand. They will get a wee wage but they wouldn't always get a wage. At Christmas if they're here for 10 hours they might only get paid for five, but it's just they need to understand that you don't always do it for money, that you need to... like, my husband, he helps because he's my husband but he has a different career altogether. (Fiona)

[NFG working for FB; Trusting family more with future of business than non-family]

A very different group of interviewees, who in some cases have a very clear view regarding stakeholder status, are those whose company has a firm constitution in place that stipulates certain requirements relating to the next or any future family generation that may be interested in joining the firm as an employee, or becoming an owner. From that group of interviewees, Nick was the only one who categorically ruled out stakeholder status for any member of the family until they fulfilled all the constitutional requirements. Specifically, he responded when asked “how much consideration do you put, for example, on the next generation?” with: “Nil. Virtually nil, yes”. The reason for that is largely based on prioritising the business:

Yes, because we're not running the business to pass down to the next generation, which is what a lot of people do. They will basically say, 'We want to keep the business in a state so we can bring the next generation in', and everything is geared towards that. So you know, in extreme cases you've got

individuals in the company who know that they'll never have the top jobs because the family will be coming in. What we do here is we run the business to grow, and our strategy is driven by what's right for the business and how we get, you know, maximum growth over the next five, ten years.

[...] it's sort of the best person for the job, as opposed to we'll bring the next generation in [...]

[...] totally commercially driven, and then if the next generation can fit in with that, great. If they can't, you know... (Nick)

[Requiring to meet certain criteria in order to qualify for being owner;
Separating business and family; Giving NFG choice to join – or not]

As Nick's firm constitution has requirements in place for both employment and ownership, he does not differentiate between these two in terms of stakeholder status. He does, however, differentiate between generation and age:

So in terms of family, I would probably prioritise the next generation, which is, sort of, you know, anyone from say 16 to maybe 40 or something. Yes, people who could come in and take over the business. That would be the priority within the family, because they're the ones that could come in and help, or be involved in running the group. (Nick)

[Reducing FFG to NFG; Considering specific NFG]

Martin, George and William did not display such strong feelings about stakeholder status as Nick had done. Nevertheless, as none of their own children or those of their siblings (neither of them made that differentiation) fulfils the required criteria yet, mostly due to their young age, they do not yet regard them as stakeholders either. All four interviewees clearly put the business's interests before their own family in terms of employment and/or ownership. However, it appears that they do not differentiate between born or unborn future family generations or the generation in the first place. Their differentiation between (members of) future family generations appears to be solely based on the fulfilment of the criteria set out in the firm's constitution. In William's case, the firm's constitution and the personal will are linked: ownership can only be transferred to family members who are active in the business [Transfer of ownership linked with constitution and personal will].

Another interesting storyline was provided by Ben and Birgit, and Neil. Ben and Birgit made it very clear, and in fact almost suggested a level of resentment in doing so, that they had wished for their daughters to get involved in the business together with their younger brother, Charles. Ben and Birgit both agreed with

regard to their considerations of their daughters that “none of the girls have been interested in the work that [...they]’ve done” in the family business and that “the girls are all more interested in doing other things”. However, as the girls are all adults now and none have expressed interest in running the existing family business, their former stakeholder status, and potentially even salience, in the business context has now been reduced to the family context. Ben and Birgit exhibited the latter in mentioning that they had offered to pay for the setup of businesses for each of their daughters:

We’ve actually asked Karen, she’s grown up with us being self-employed and quite a few of them, as we say, we tried to make them self-employed; we’ve asked them to go to college and do hairdressing, nails, whatever they want, you know. There’s other shops, there’s two shops, there’s the newsagents and there’s the one next door that can be self-contained. And they had the possibility of having a shop all to themselves... We’d give it [to] them and just set it up... And make their own business out of it. It’s still sitting there and there’s none of them interested in doing it. (Ben & Birgit)

[Giving NFG choice to join – or not; Giving NFG a job if they wish to join;
Not expecting NFG to take over due to lack of interest]

Neil was even clearer about his daughter and son-in-law in views expressed after the official interview in an informal conversation, when he said that he would like to retire sooner rather than later, and certainly reduce his hours in the business in the near future. He admitted that many years ago he had hoped that his daughter would join the business and ultimately take over from him:

Well, I would have liked her to have taken an interest in it, but she went to Uni and came out with different ideas you know, so she doesn’t really, she’s not got much interest in the company or the business at all. Whether that might change over the years, who knows, but at the moment she works for [...]. (Neil)

[Not expecting NFG to take over due to lack of interest; Wanting NFG to join FB in order to take over at later stage; Giving NFG the choice to join the FB – or not; Disregarding gender re transfer of ownership]

When his daughter expressed no interest in the business, Neil clearly started looking for an alternative successor. Therefore, at present he is not placing stakeholder status or salience upon his daughter. This would be likely to change if she changed her mind. After his daughter’s lack of interest in the business, Neil then had high hopes in his son-in-law, who had worked in the business for several years; however, he had left the business not long before the interview took place

in order to start a new career. Similar to his views regarding his daughter, Neil now does not place stakeholder status or salience upon his son-in-law any longer. Again, this would be likely to change if his son-in-law changed his mind and rejoined the family business.

Neil's story, along with Ben and Birgit's, makes it obvious that an expressed lack of interest in a family business, especially with regard to the transfer of ownership, has implications for the associated stakeholder status and salience of certain entities of future family generations, i.e. the next generation, in the business context. It should however be noted that Neil appears to use different reasoning for not allocating stakeholder status to his daughter and son-in-law on the one hand, and to his grandchild on the other. While his daughter and son-in-law are regarded as being of the right age and education/qualifications to take over the business, he respects their wishes, i.e. prioritises them. On the other hand, in relation to his grandchild, Neil assigns no stakeholder position due to her very young age, as she is many years away from potentially becoming an employee of the business or a potential future owner. In addition, it appears that Neil does not regard any of his nieces as potential candidates for succession despite their adult ages, e.g. interviewee Deirdre. The reason for that is unknown, but may be linked with the family branch that owns the business.

A very different approach in terms of the meaning given to future family generations was suggested by Viktor, a family member in a company he does not own. When asked whether or not he considers the business owners' next generation, he appears to mix views on his own family with those regarding the business:

No, not at all. Not at all. I mean, my situation's fairly unique. I've spent maybe 20 years here, but I don't necessarily see my future in this business, which sounds slightly ironic compared to what I've just said, but at some point I would like to do my own thing and have my own responsibility. (Viktor)

[Mixing business and family; Considering own future]

Viktor obviously links his considerations for any future family generation of the business with his own personal future and that of his own direct family, resulting in him not even considering stakeholder status for the next (owning) family generation.

4.3.2 Stakeholder Status but No Salience

The previous section identified that Fiona places no stakeholder status upon her second cousins as potential successors in running the business, but instead seemingly views them solely as employees of the business. In contrast, while she regards her niece and nephew as stakeholders in the sense of potentially becoming employees of the business, she also appears to consider them as stakeholders in terms of the potential transfer of ownership, despite them being only 13 and 14 years of age at the time of the research:

So, this whole business will be my niece's and nephew's and they're very aware of that. Whether they choose to run it is up to them. If they sell it then... we might sell it before, you know, when I retire, I might sell the business with my brother. We might, I don't know. I haven't thought generations from...

If they wanted to, again, we'd be quite proud of that but then I might want the money because I'll be retired and want to get the fruits of my labour. So, I might not be quite as generous as my father [laughs]! (Fiona)

[Considering own financial future and retirement; Wanting to maintain family involvement/control; Expecting specific NFG to take over; Hoping for family member to take over FB; Transferring ownership at point of retirement; Not expecting NFG to take over FB as NFG likely to leave; Considering selling FB due to lack of interest from NFG; Considering transferring ownership to external due to lack of interest from NFG; Disregarding gender re transfer of ownership]

However, as they have not yet expressed any interest in taking over the business, she does not presently place any importance onto them in that respect. Again, this may change over time, should her niece and/or nephew express such an interest and/or Fiona perceive them as interested.

I don't think [my cousins are] that interested. I think my cousin is very good in here, but she doesn't strike me as the type of person that's business minded. She's 18 now and she wants a career with child care. And her brother, he's not... no, I don't think he's cut out for it. My niece and nephew probably wouldn't want this type of business either because it's... (Fiona)

[Not expecting NFG to take over FB as NFG likely to leave; Disregarding gender re transfer of ownership]

Emily, like Fiona and Astrid, does not have children herself, but she does have nieces, nephews and second cousins. She does not appear to differentiate between their stakeholder status as employees or as potential future owners of

the company due to the family firm constitution. The constitution stipulates that for any members of future family generations to become shareholders in the family business, they are first required to be an employee, i.e. to be active in the business. Due to a recent event in her own life, her marriage, which can be regarded as a temporal dimension (i.e. a life stage), she has started to consider who to leave her company shares to. As she does not have children herself, her consideration of her brother's and her cousin's children is driven by the idea that they will become potential heirs of her company shares:

So, I mean in theory if [my brother] and I die, our shares would pass to the next generation who were working in the business and if they don't pass to them, then [Hugo] I think is the next person who would be in line to take over our shares. (Emily)

[Not considering FFG or their temporal dimension due to family firm constitution requirements; Putting formal requirements in place for any FFG; Requiring to meet certain criteria in order to qualify for being owner; Setting temporal dimension criteria for any FFG; Reducing FFG to NFG]

In saying this, Emily places stakeholder status upon these younger relatives, but does not yet assign them salience as they are all still too young either to inherit or to be active in the business. Interestingly, she does not appear to consider her non-owning relatives as potential heirs to her shares.

Deirdre does not place salience upon her own young children due to their lack of ownership in her uncle's business. However, she does regard them as potential stakeholders of the business as potential future employees, similar to Fiona's view of some of her younger relatives:

You know, if [the children] showed an interest, then I would probably teach them the skills that I've been taught. Now Mum's just teaching me to be a [product maker] now. (Deirdre)

[Giving NFG choice to join – or not]

Lorenz described the reverse scenario for his older son who had been working in the business full-time for several years at the time of the interview, and who therefore receives stakeholder status as an employee. Lorenz's son joined the company immediately after leaving school. However, as Lorenz believes that his son will receive a job offer from a third party sooner rather than later that will

provide him with a higher salary, he does not place salience onto him with regard to the transfer of ownership, i.e. as a potential successor for the business:

He's going to be head hunted, I can see it coming. I've already... he's already had a nibble of an approach from someone which, at this point, I've kind of batted into touch and said, "keep your hands off him", you know, but there is somebody out there, one person sniffing about him already. (Lorenz)

[Not expecting NFG to take over FB as NFG is likely to leave]

Moreover, Lorenz assumes that when his son leaves the business, he will reduce his business to a scale and scope that he can manage by himself. He therefore does not appear to regard his son as important in terms of being an employee either. Despite Lorenz's indication that he was pleased when his son joined the business, he is also happy for him to leave once a better financial offer comes – as expressed by Lorenz at a later stage of the interview. In addition, Lorenz points out that he is quite prepared to run the business until his own death:

All joking apart, I'll work here till I drop, it's as simple as that. I will do that. That was always my intention. I had no intention of retiring. All these people would say "yeah, when I reach 55 I've got enough in the bank, I'll pack in". I thought, "rubbish, I would go absolutely mental".

[...] I'm one of these people and I've always said that I live to work, I don't work to live. You know, I love the job. (Lorenz)

[Considering own future; Considering own financial future and retirement; Regarding FB as a life-style choice]

Lorenz's considerations are therefore clearly limited to the next family generation and do not go beyond them, as several other interviewees demonstrated when considering the transfer of ownership of their business. In addition, though, his way of prioritising himself in combination with the business means that he has no problem with his son leaving the business, and therefore doesn't place salience upon him.

Oskar's oldest child, his son, who at the time of interview was 17 years old and about to finish school, is clearly regarded as a stakeholder in the business context. As has previously been stated, Oskar would like to grow his business. However, a health problem which developed a few years ago means that he cannot work as much as he feels he would need to in order to grow the business as planned. As a consequence, Oskar has realised that he requires help from

his son, and although he regards his son as being old enough and educated enough, he puts his son's wishes, of not wanting to join the FB, before his own goals for the business. Part of the reason why Oskar would like his son to join the business and grow it with him is linked to his perceived temporal dimension, i.e. life expectancy since, as a result of his health problems, he cannot be sure of his own future. These considerations have led to Oskar's son being regarded as a stakeholder in the business, as Oskar would like him to join it. At the same time, until that actually happens, i.e. until such time as his son expresses an interest, Oskar is not likely to regard him as important for the business. Interestingly, Oskar admitted shortly afterwards that he hasn't made any plans regarding the future of the business, partly because of his health uncertainties. Yet, when directly asked whether it is "fair to say that you leave all options open to yourself and your children?" Oskar responded with: "Yes, I would say so. Unconsciously, probably yes." [Giving NFG choice to join – or not; Giving NFG a job if they wish to join]. However, he is clear that the way he runs his business at present is exactly the way he wants it to be, prioritising his own health:

I didn't want to go back to build a business. [...] I am running a life-style business now; that I am in control of. (Oskar)

[Regarding FB as a life-style choice; Considering own future; Being constraint by health issues]

David is one of the few interviewees who stated that he knows what the term "stakeholder" refers to. He points out that his own children, not those of his sister, became stakeholders for the business when they were born (not before):

No, no, I wouldn't say so, maybe as soon as they were born. You could say that they have an interest even from the day they're born, in a sense, yes. (David)

[Considering (specific) NFG; Not placing high importance onto FFG as not born yet]

However, it appears that David mostly regards them as potential future employees of the company:

Well, they're a stakeholder in the sense that your coming to work in the company is a not unlikely choice for them and if they ... if it wasn't here or if I was an employee of some other firm that option wouldn't be there for them so they are a stakeholder in that sense in that it's a big option for them should they choose to go down that route. If it wasn't there the option wouldn't be there. So, they are stakeholders in that sense.

And I suppose they are also a stakeholder because you know, it's their livelihood, if you like, because it's mine... (David)

[Considering life-cycle of FB; Considering (specific) NFG]

Like Mark and Hugo, David mentioned that because of the young age of his children (both are under 18 years old and still in education), he does not place any importance on them in the business context either as employees or as potential future owners:

I've got two kids, a daughter who's 15 and a son who's 17, so they are still quite young and they're both still at school and they will probably both go to university and Robert will go to university next year, and he's planning to do an Engineering degree. And I know that his view is that he certainly thinks coming into the family firm wouldn't be a bad thing to do. But, again, I've put no pressure on him to do so and I've also always taken the view that there's no guarantee there'll be a company here for him to come to. That's been true since the day he was born, and that will be true until the day he does join, if he ever does. [...]

[My daughter is] not really interested at all. I can't see her ever... you never know, though. I mean, she's only 15, she's still quite young yet. (David)

[Not placing high importance onto NFG due to age; Giving NFG choice to join – or not; Giving NFG a job if they wish to join]

A different approach that leads to potential stakeholder status in this research, but not to salience, is that displayed by interviewees who wish to see the family business retained in family ownership for generations to come, such as Neil:

Well the business, the money is always getting put back into the business to try and either buy stock or whatever, so you never really see massive profits coming out of it, but it's just an ongoing thing and we're always looking for things to better the business. So there's never, we're never looking at winding things down at all. It's always creating a way forward you know so, in a sense, yes, we're looking to keep it going for generations. (Neil)

[Wanting to maintain family involvement/control; Considering any FFG; Wanting to maintain family firm for generations to come]

Neil thus indirectly, and certainly subconsciously, places stakeholder status on all entities of future family generations, regardless of whether they have been born yet or not. Rosie expressed similar views:

No. I think, certainly as a family we've always kept reinvesting in the business, so we've a very strong balance sheet, we don't take out a lot of money. I know some other managing directors that I've networked with or met have expectations from their shareholders. They want X amount per year, they want to take dividends of a certain amount and they have to strive

to meet those targets, otherwise they're underperforming, whereas obviously we have turnover and net margin targets and if they're not met then there's a little bit of grief, but they have been, to date, to be fair. (Rosie)

[Wanting to maintain family involvement/control; Considering any FFG; Wanting to maintain family firm for generations to come]

William appears to hold a similar view when referring to the family as “the custodians of the firm”. And, while David wants:

...the company to stay viable and valuable for whatever you want to do with it, whether it is to pass it to the next generation or sell or get somebody in as a managing director... (David)

[Considering FFG only in terms of transfer of ownership; Wanting to maintain family firm for generations to come; Mixing business and family; Mixing family and business beyond death; Prioritising family]

he also emphasises that:

...the whole point of a family business is for the benefit of the family, really, and if the family choose not to be involved in the business, that's fine - the end of the business. (David)

[Prioritising family]

It appears that in this context, David struggles to differentiate between the family and the business because in his view the firm is “working to put a roof over our house”, i.e., to support the family [Working hard for the family/FFG]. Nevertheless, despite stating that the firm is there for the benefit of the family, he also made it quite clear that he is not running the family business for the next generation; rather:

...basically you've got to keep charging on with [... the business] until the day you decide that you don't want to be in the business anymore. (David)

[Mixing family and business beyond death; Prioritising family; Prioritising business]

When asked if he has his children in mind with regard to the business, he responded “not really...”, because his main focus is on the business rather than on being able to hand over a business to the next generation, thus demonstrating a lack of salience for the next or any future family generation. This latter interpretation is confirmed by a statement from David's FD, Fritz. When asked if

he thought that investment decisions in David's business were made based on, or with reference to, considerations for David's children, he responded:

No, I think the overriding decision is still for the same reason to expand the business or whatever, rather than the fact that the children..., the fact that they would benefit long term, I think, is an added bonus... (David)

[Prioritising business]

Charles's response, which focused on the next generation (which was potentially caused by the biased question) was somewhat similar when he was pressed for a view on whether he would want his (as yet unborn) children to take over the business:

If [...the business] was still going by that point, yes. [...] unless they didn't want to take the responsibility in running a business. (Charles)

[Giving NFG choice to join – or not]

A similar approach seems to apply for non-family owner/manager interviewees Viktor, Ismail and Karl. Viktor, for example, commented that as a family member: "I think you do have a duty of care". Karl, in line with Ismail's views, regards it as important for the family to stay in control of the firm, therefore implying that stakeholder status is assigned to all family generations:

Q So is it fair to say that you're actually looking beyond your own children, your second cousin's children – you're looking at I don't know – 50+ years, sort of long term future of the business.

A Yes, yes, I think for the business to keep its uniqueness, if you like, it would be great if it was handed on, and I think irrelevant of who that is as long as they're kind of within the family. (Karl)

[Considering any FFG; Planning for transfer of ownership over generations; Ensuring that family member is in key position in FB]

However, interestingly, none of the non-family owner/managers intended to act upon this view and therefore they are not interpreted as associating any salience with these entities. In contrast, Neil, who is a family owner/manager, does not appear to associate any salience with these unborn future generations either, but for different reasons. He exhibits a clear focus on the near future only, i.e. the next family generation that may enable him to retire from the business. As his daughter and son-in-law are not likely successors, he does not place importance on any future family generation entity at present. This is likely to change if he identifies a successor from within the family in future.

On the other hand, Sarah, Ursula, Tom, Jakob, and Fritz do not intend to act upon their views regarding future family generations, and thus do not place any salience onto them. However, their general view regarding entities as stakeholders for the business is narrowed to the next family generation, as earlier examples highlighted. In fact, it appears that all these interviewees other than Fritz associate stakeholder status with the (next) transfer of ownership and therefore reduce their considerations to focus solely on the next family generation. While Sarah seems to differentiate between next generation members in direct lineage from the current owners who are active in the business, Ursula does not differentiate by active status, as long as they hold a direct current owner lineage. The latter view also appears to apply to Tom and Jakob. In contrast, Fritz gives the impression that he is not (yet) considering the next generation as potential successors in the business, but assigns them stakeholder status because of their lineage with the current family business owner/manager.

Overall, the findings in this section suggest variations in reasoning regarding assigning stakeholder status or at least potential stakeholder status. However, this section also reveals a potential discrepancy in the research between some interviewees being interpreted as deeming born grandchildren as non-stakeholders, and others being interpreted as seeing unborn future family generations as potential stakeholders. Those interviewees who were interpreted as not attributing stakeholder status to their grandchildren either directly or indirectly voiced that view, i.e. they mentioned during the interview that they do not yet consider their grandchildren in the business context, due to their age. Somewhat similarly, David expressed the view that his own children became stakeholders of the firm at birth. Thus, none of these interviewees regard an entity beyond the next (born) generation as stakeholders. Yet, in contrast, as David's example (provided by his FD) shows, he is also concerned with the continued long-term control of the business by the family as he is not prepared to give up equity in the business to raise necessary cash. Consequently, while stating one thing, he (and also Neil, for example) considers additional entities of future family generations in other ways; in this example, by moving away from considerations of the (immediate) transfer of ownership and instead considering the long-term control of the business by the family.

George, however, hints at another reason for the apparent contradictions in interviewees' views and/or interpretation in this research. George expressed the following view during the informal discussion that followed the official interview (paraphrased): Once I am dead, I don't care what my children do with the business. It is quite possible that each interviewee's own temporal dimension, i.e. their view of their own existence, is related to why some want to see the business stay in family control for generations to come, yet do not associate stakeholder status with the next generation unless they are born (e.g. David); and similar appears to apply to born grandchildren (e.g. Helena, Casper and Neil). Ultimately though, their expressed or implied wish for the business to stay in the control of the family for generations to come leads to the interpreted association of potential stakeholder status in this research.

4.3.3 Stakeholder Status and Salience

The findings from this research imply overall that only very few interviewees appear to attribute stakeholder status and salience to an entity of future family generations. In all three cases which did so (Ben and Birgit, Casper, and Helena) the interviewee displayed the belief that the business is doing well or at least is sustainable for the foreseeable future. For example, Helena expressed that handing her successful business over to her son (and daughter-in-law) means to her that she can give them a "good start in life", which is what "all parents want" for their children [\[Wanting what is best for NFG\]](#). Further, the data analysis from the interviews reveals that all these interviewees appear to use similar logic in associating stakeholder status and salience: the next family generation is over 18 years of age, out of school (and further education), active in the business, and potentially most importantly, has signalled at some point in the past that they wish to take over the business and have acted upon it. This is, for example, revealed in the following quotes from Ben and Birgit about their son Charles:

[Charles] put in an awful lot to it [NB the business] ... he has put in a lot, a lot, a lot, a lot of time and a lot of effort into the business. (Ben & Birgit)

[\[Giving NFG the choice to join – or not; Expecting NFG to take over FB due to demonstrated interest\]](#)

According to Ben and Birgit, this active involvement included making financial contributions when things were tight in the past. However, the decision to hand over the business to their son Charles appears to have evolved over time since Charles joined the firm, and exhibited interest in the business:

No, I don't think we thought like that at first, I think that is just something that has evolved and with having all the children, we've seen who's been putting into it, who's interested in it and who's not interested in it. (Ben & Birgit)

[Expecting NFG to take over FB due to demonstrated interest]

As a result of this view, Ben and Birgit decided that Charles “will inherit all [...properties] and [...the shop] will be his business”, which has since been communicated to all their children. It is this expressed and demonstrated interest that David mentions as well; he commented that should his next family generation not be interested in joining the family business, “I think in that case we'd probably just sell it”.

All the next family generation members of these three interviewees have already started the process of transfer of ownership (and leadership). Moreover, all three next generation members are involved in day-to-day decision-making processes. It also seems that all these interviewees have had some thoughts about their own temporal dimension; for example, a couple of years before the interview Helena experienced an event in her life that made her start thinking about her own future as well as that of her business: her husband suddenly died. It appears that as a result of this event in her life, she started planning a transfer of ownership of the business that would allow her son to take over sooner than had possibly previously been anticipated, but would also allow her to start working less:

...I realised that [my son and daughter-in-law] should take over the bulk of the business from me, so because [my husband] died, I thought, 'This is a point where I should start really handing things over.' I think it's wise, as you say, to make a plan for the future. What was done is we are, at the moment, making sure that it is all going to be handed over to my son while I'm still alive, and [...] I'm hoping that the new baby will be a little girl with red hair and will [start working] for them. That's my plan! (Helena)

[Hoping for family member to take over FB; Event leading to succession planning; Considering future of FB ownership due to event in life]

For Ben and Birgit, it appears that the increased consideration of their own retirement related to their aging, a factor again linked with their own temporal

dimension. However, until their son Charles joined the business and agreed to take on more responsibilities in the business and ultimately ownership of it, they had been unable to progress their retirement plans. It is only now that the successor is identified that they have started planning their own future, which places responsibilities onto the next generation, and they are therefore considered important – for their own future as well as that of the business.

Casper, on the other hand, did not directly express the wish to retire. In fact, a few remarks during the conversation implied that he does not feel able to retire. One reason appears to be the perceived training needs of his son; in terms of running the business solely by himself, but also in terms of dealing with customers. Additionally, the business is doing so well that he and his son should take on more non-family employees to grow the business further. However, Casper expressed the view that if that happens, they would be likely to lose some control over the business⁹⁸. As a result, they are not going to grow the business any further and Casper seemingly intends to stay on for the foreseeable future. However, it is these remarks that give the impression that really what he would like to say and do is: *I would like to retire, but can't yet because of the business needs and my son*. So, even though in Casper's case his own likely wish for retirement, i.e. a link with his temporal dimension, aren't yet perceived as a realistic option, they do appear to impact on stakeholder status and importance of the next family generation.

4.3.4 Changes Over Time and of Traditions

At the time of interview, only the three interviewees discussed in the previous sub-section suggested both stakeholder status and salience. In all three cases, this was solely focused on the next family generation and to those entities over 18 years of age who are already participants in the process of transfer of ownership. While Neil did not associate stakeholder status or salience with any member of his family (directly) in his interview, it is clear that he had done so in the past and will do so again in the future should he identify a successor for his

⁹⁸ Charles makes a similar point regarding non-family employees, and in fact states that he wants to "limit the amount of external employees" even if that means not being able to grow the business. Fiona expressed similar reasoning: "But, trust is a huge thing and we trust the family".

business. It therefore becomes clear that the association between stakeholder status and/or salience is not static, but is likely to change over time with changing circumstances. However, the findings from this research also indicate that in the past, the association of stakeholder status and salience was largely driven by family traditions, and those being extended to the family business.

Several interviewees provided anecdotal stories from their family and family business's histories that led this research to conclude that former (family) traditions influence stakeholder status and their importance in the family business context. The traditional approach in the past was that the family business ownership would be transferred to a son of the (owning) family, as indicated by a quote from Hugo:

So on one level it probably was just a natural thing [that I followed my father] and I suppose you know two generations ago sons often just followed their fathers and did the same job. (Hugo)

[Transferring ownership via male family line; Following parent's expectations]

Jakob expressed a similar view regarding the *traditional* approach to business succession:

I suppose when it got to the point where [Hugo's grandfather] needed help his first port of call was his son, which was [Hugo's father], and so he asked [Hugo's father] to come and help him. That's when they started working together. His natural thing would not be to go to my [...] Dad [N.B. the nephew at the time]. Jakob)

[Transferring ownership via male family line; Following parent's expectations]

Although it appears that Hugo and Jakob perceived it as natural in the past that the son (usually the first-born son) would take over the business, there are also stories of families where that assumption had not necessarily been made and the event of transfer of ownership somewhat came as a surprise, as suggested by William's statement:

It was to transfer the business more successfully than it had been transferred in my dad's time because my grandfather made a real pig's breakfast of it. He was the shareholder and then transferred; didn't even really talk about it, my dad then got the shares of the business and his brother and sister and his mum, for that matter, didn't get any shareholding in the business but that is the way it was kind of done, you don't talk about these things. (William)

[Not knowing if PFG has intentions to transfer ownership to NFG]

Greta's story is very similar, with the exception that her grandfather handed over to both her father and uncle initially, ignoring their sister in doing so. What she added to the story, though, is that her grandfather expected her father and uncle to join, as expressed in this interview extract:

Yes, the expectation was always that [my father] and uncle [...] would do so. [N.B. to take over the business from their father] ...

[My father] left school at 14 and was sent to London to learn the [...] trade. He had three years of Secondary School and then left [to join the business]. There was no thought in those days of university. (Greta)

[Transferring ownership via male family line; Following parent's expectations]

The anecdotal stories told by some of the interviewees clearly show that traditions played a large part in ownership transfers. These traditions usually resulted not only in stakeholder status, but also in salience for the next family generation that was expected to become the successor of the business. However, statements by the current family generation, i.e. family owner/managers, and other interviewees make it obvious that these traditions have changed over time and that in fact most, if not all, the interviewees were likely to break with these (former) traditions; indeed, no interviewee expressed the desire to force the next generation to take over the business, nor did any express this traditional expectation. For example, interviewee Neil hadn't initially planned to join the business due to his conflicts with his father [Not joining initially due to family conflict; Joining FB despite family conflict]; he only reconsidered and joined when his daughter was born. Also, all interviewees expressed that it had been their own choice to join the business [Being given choice to join – or not]. Similarly, some interviewees, for example Hugo and Rosie, talked about working for the family business at one point in their life, then leaving to do other things, before re-joining, possibly for good, for various reasons [Working for FB, leaving, and re-joining]. In Rosie's case, she took over leadership and part ownership after her father, the former MD, experienced health issues [Transferring ownership due to unplanned event].

4.4 **Consolidating Findings**

The previous sections have provided findings and evidence including interview quotes which substantiate the researcher's interpretations and which are relevant to the aim and objectives of this research. In summary, the findings show why three core-categories were identified – temporal dimensions, prioritising, and transfer of ownership – that provide the basis for interviewees attributing stakeholder status and/or salience (or not doing so) to entities of future family generations. The chapter has also suggested that two underlying aspects - goal setting and tradition(s) – may also influence these views in some cases. The link between these identified three core-categories and the two underlying aspects is illustrated in Figure 32 (p.225, similar to Figure 25, p.173). The model indicates that none of these considerations can or should be seen in isolation. Moreover, while the category of “temporal dimensions of FFG” and the codes related to the interviewee's concern of and consideration for the next family generation⁹⁹, i.e. directly or indirectly related to lineage, are attributes of the stakeholder, the majority of codes and categories are not; instead, they are found to be related to the interviewees' individual views and worldview.

Overall, with regard to the “WHO” objective, the research has found that family business owner/managers are the dominant entity in family businesses and in some cases fulfil a dual role. They are the accepted proxy of the family firm in relation to the stakeholder (group) future family generations, and act upon that accordingly. They also illustrated that due to lineage/paternalism, i.e. the family context rather than the business context, they also act on behalf of some entities of future family generations; mostly the entities of future family generations who are around 16 years old, or younger.

⁹⁹ This includes, for example, codes such as “Wanting what is best for NFG” or “Giving NFG choice to join – or not” that extends to considerations of whether the NFG expressed an interest of joining the FB or not. This latter expression of interest or similar may be regarded as an additional stakeholder attribute.

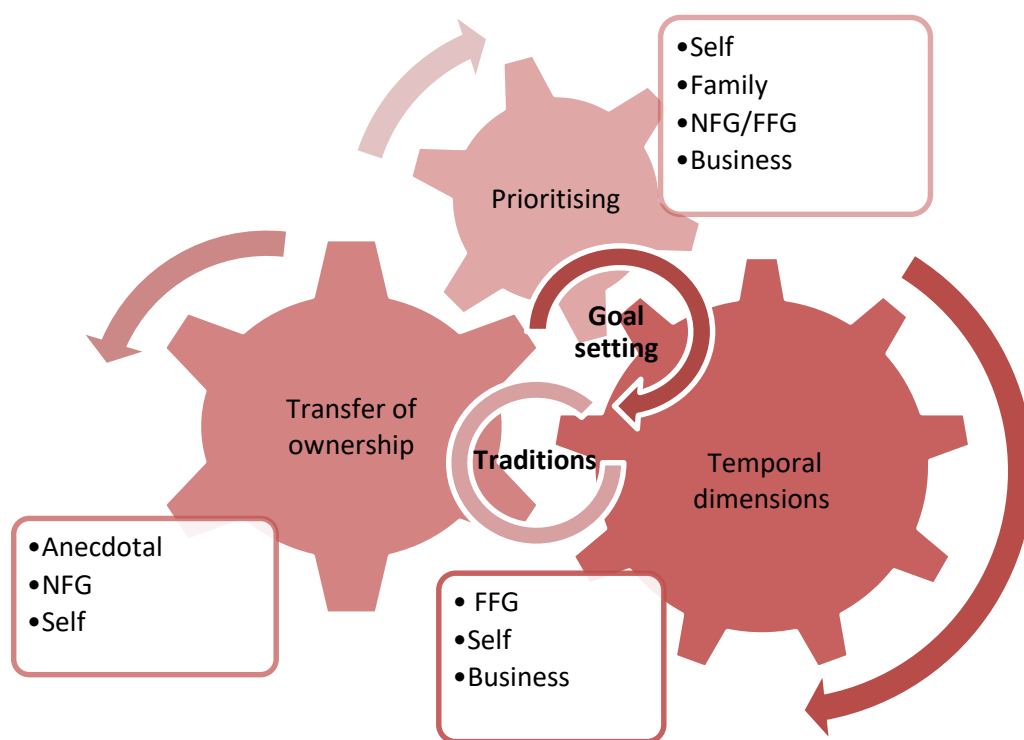


Figure 32 Summary of findings of core-categories and underlying aspects

The findings concerning to the research objectives of the “WHAT” and the “WHY” of stakeholder status and/or salience are more complex. While a combination of considerations from the three identified core-categories and the two underlying aspects were applied by the interviewees, the questions of which considerations and in what ways were dependent on the individual interviewee and their specific personal and business contexts. However, the dualism of family and business in family firms clearly influences future family generations’ stakeholder status too. Codes such as “Wanting what is best for NFG” or “Giving NFG choice to join – or not” are clearly influenced by the family connection/lineage, and thus create a stakeholder status for future family generations of the family business that is likely influenced by the family background rather than being based on business concerns alone¹⁰⁰. Moreover, future family generations may be part of the business stakeholder group of “employees”, as highlighted earlier in this chapter, creating a dual-stakeholder role for some entities of future family generations. On the whole though, the meanings given to some or all entities of future family

¹⁰⁰ It is not possible to differentiate these and similar codes with regard to whether they are driven by the family or the business. They clearly have an impact on future family generations as business stakeholders, though, which is the key concern for this research.

generations as stakeholders in their own right are to a large extent concerned with the subject of transfer of ownership (and/or succession) in the business context, that is, the family's transgenerational process as linked with the company.

It is therefore unsurprising to find that one category is particularly closely linked with transfer of ownership: temporal dimensions of future family generations. This category can be regarded as a stakeholder attribute, and a summary of the differentiations made by the interviewees identified in this research is illustrated in Figure 33 below.

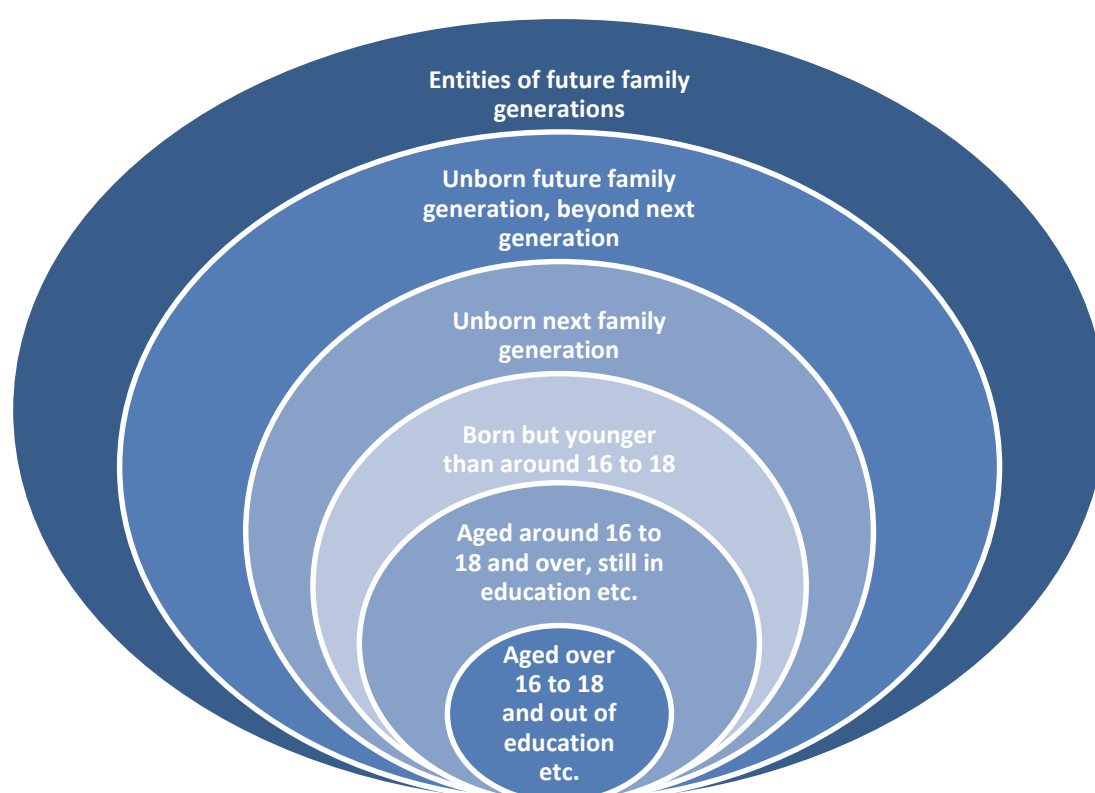


Figure 33 Illustration of Entities of Future Family Generations According to Their Temporal Dimension as Demonstrated by Interviewees

Appendix 8.6.8 provides examples of each of the identified temporal dimensions. It becomes apparent that a transfer of ownership requires the next family generation – if transgenerational family succession is the goal –not only to already have been born, but also to have reached the perceived right age and education and/or qualification level, which then has implications for their perceived stakeholder status and salience. However, if that goal of transgenerational succession is not present then prioritising takes a very different

direction; in many cases away from entities of future family generations, thus reducing or often even completely removing stakeholder status.

It may be argued that the identified core-category *temporal dimensions* should be extended to temporal considerations more generally, for example to temporality, and should include considerations of *traditions* and time in general. For the purpose of the data analysis and findings in this research it was decided not to do this, instead keeping them separate. Nevertheless, the previous section provided examples of how traditions (family and/or business) have changed over time, thereby impacting on the stakeholder status and salience of entities of future family generations. In fact, it was highlighted that interviewees' stories indicate that the stakeholder status and salience of the next family generation have reduced in recent decades due to family firm owner/managers breaking with old(er) traditions. Additionally, though, time in general plays a role for any entity of future family generations. No human or non-human entity is able to interfere with time, and thus with the inevitable status change of entities of future family generations in relation to their age.

In summary, the meaning given to future family generations as stakeholders in family businesses is very complex and can result from one specific goal, e.g. transgenerational transfer of ownership, or a combination of several considerations related to the identified (core-)categories and similar. Moreover, the findings suggest that apart from the stakeholder salience model's stakeholder attribute of "lineage" (Mitchell et al., 2011), stakeholder status and salience is hardly found to be associated with the attributes of future family generations as was suggested in the model. On the contrary, interviewees' considerations and their context are found to be the basis for creating a certain stakeholder meaning for entities of future family generations. This also applies to some degree to the stakeholder attribute of *temporal dimensions of future family generations*. While age and the level of education and/or qualification is a stakeholder attribute, the interpretation, and ultimately the application, of this attribute is made by the interviewee rather than by the stakeholder. Consequently, depending on the interviewee's view of the world, the business, the family, and any other potential influence, s/he applies a different set of temporal dimensions to future family generations with differing outcomes for their stakeholder status.

This chapter has introduced and justified the key findings that are relevant in addressing this research's aim and objectives via its research questions. It has highlighted that the meaning given to future family generations as stakeholders in family firms is complex, and its derivation cannot be narrowed down to one consideration or one attribute. Indeed, three general considerations with some underlying aspects were identified as appearing to shape the meaning about future family generations as stakeholders. The differentiation of future family generations according to their temporal dimension is a finding that closely links to the ongoing academic debate concerning human versus non-human stakeholder entities. This category, along with all other codes and categories identified as critical to this research, are discussed in the subsequent chapter, to ground the data in its theoretical context.

CHAPTER 5 - DISCUSSION

The purpose of this chapter is to discuss the findings of the present study in the context of the literature; that is, to ground the data in its theoretical context. The research process (illustrated in Figure 34, p.231) began with an initial review of the literature leading to the development of a set of research questions based on identified gaps in the literature. The operationalised research questions were answered during data collection and analysis. The gaps in the literature, research questions posited and identified findings are summarised again in the following:

In order to address the ambiguity in the literature about the entity that is most or more likely to attribute stakeholder status (and/or salience) to future family generations:

- *Who* is the key entity to attribute stakeholder status and/or salience in family firms?

The findings from this research indicate that the dominant entity to attribute (or not as may be the case) stakeholder status and/or salience is the family business owner/manager. Although other managers (no matter whether family or not) appear to construct a meaning of future family generations that is similar to that of family business owner/managers, the difference is that these other managers do not intend to act upon it.

In order to address the gap in the academic literature relating to future family generations with regard to the human versus non-human debate and their stakeholder status:

- *What meaning is given to future family generations in family businesses regarding their stakeholder status and/or salience?*

The data collection and analysis identified that only very few interviewees associate stakeholder status with salience to entities of future family generations; in the majority of cases, it was reduced to stakeholder status, or in several cases even to no stakeholder status at all. Nevertheless, overall, it emerged that future family generations have to be regarded as a stakeholder group in their own right.

The literature review identified that the use of stakeholder attributes has been the generally accepted academic route to identify and/or classify stakeholders. To address the lack of consideration of the manager's view:

➤ *Why is this meaning given to future family generations?*

The findings from this research highlight that managers, and in family businesses especially the family business owner/manager, construct the meaning of future family generations as a stakeholder in their own right based on considerations linked with: transfer of ownership, temporal dimensions, and prioritising, with underlying assumptions of goal setting and traditions (or in this research “breaking” with traditions); of specific importance appears to be the temporal dimensions identified for the entity of future family generations, creating a disaggregation into smaller entities.

Based on these research findings, the present discussion uses a combination of publications from the initial literature review as well as newly identified articles during data collection/analysis. New literature was added for two reasons: firstly, new articles were found to be available for keywords already used in the literature review earlier in the research process, e.g. stakeholder salience. Secondly, emerging codes and categories also required the addition of extra keywords into the literature search, for example temporality. In addition, the already-reviewed literature was re-evaluated to take into consideration the findings from the research. In some cases, this led to a different focus or consideration of different aspects of those articles. This particularly applies to the subsequent section discussing the traditional approach to stakeholder salience.

Overall, the structure of this chapter follows the research questions. However, the “what” and the “why” are grouped together, as they are directly linked with each other. Moreover, the data gathered by this research is initially compared with the dominantly-used stakeholder attributes approach as proposed in the salience model by Mitchell et al. (1997, 2011).

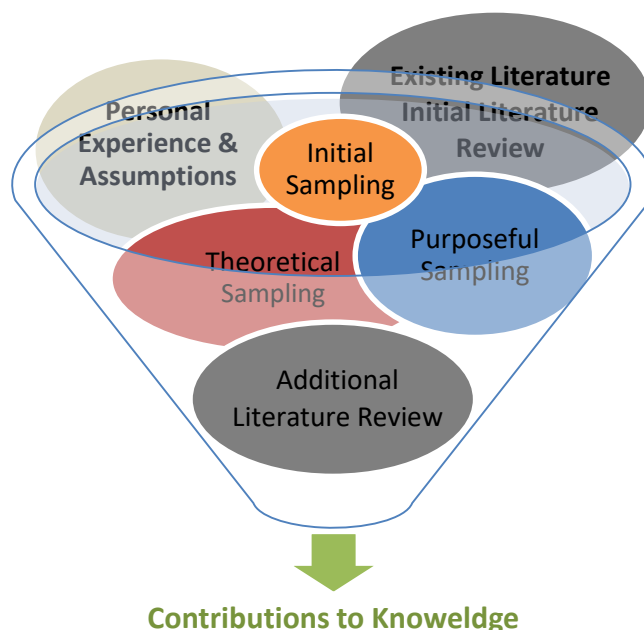


Figure 34 Illustration of the research process

5.1 The WHO

This section discusses the “*who*” in the context of the research question regarding which entity in the family business is most likely to attribute stakeholder status and/or salience to FFGs. It also goes beyond the original research question to discuss the newly identified topic of a proxy for future family generations in addition to the initially posited one about a proxy for the family business.

5.1.1 Family Firm Owner/Manager as a Proxy for the Family Business

The initial literature review for this research identified that numerous academics have argued that it is firms’ managers who act on behalf of the firm in relation to its stakeholders (Frooman, 1999; Green, 1993; Greenley & Foxall, 1997; Neville et al., 2011). Moreover, Mitchell and Neville and their respective colleagues (Mitchell et al., 1997; Neville et al., 2011) extended this view to the concept of stakeholder salience. Consequently, scholars have argued that managers assume the role of a (human) proxy for the firm and are responsible for its stakeholder identification and management. However, this view also requires

these managers to take an active role, which was not found for all the managers interviewed here.

The data collection and analysis process showed that non-family employees and non-owning family members active in the family business, i.e. non-family firm owner/managers, do not act upon their views in relation to future family generation entities. This even appears to be independent of the view held, or why it was created in the first place. Instead, this research finds that the only family business (employee) entity that appears to be prepared to take action in relation to future family generations are family business owner/managers. One explanation for this finding in family firms may derive from an idea put forward by Jones (T. M. Jones, 1995), quoting Jensen and Meckling (1976), that the firm consists of *agents* who create a “‘nexus of contracts’ [...] between itself and the stakeholders” (ibid., p.407). He extended the perspective of proxies in such a way that viewed the firms’ managers themselves as “contracting agents” for the firm; that is, as having a firm internal contract. This perspective may explain why non-family firm owner/managers do not appear to intend to act upon their views: they regard themselves as being in a form of contract with the family owner/manager, and they accept his/her authority.

On the other hand, in 2011, Mitchell and colleagues (Mitchell et al., 2011) reconsidered their original salience model (from 1997) to fit the family business context and identified that the family owner/manager in family businesses is a key player in relation to stakeholders. Unfortunately, the authors did not elaborate further, and it even appears that they retracted their statement in the same article by arguing that “managerial attributes such as values, beliefs, attitudes, etc. and institutional contexts influence managers' perceptions and prioritization process with regard to stakeholders (cf. Agle et al., 1999; Hambrick & Mason, 1984)” (ibid., p.237). They therefore indirectly reverted back to the original idea of managers in general being the proxy for the firm rather than family firm owner/managers only.

Then again, it may be that this key role of family owner/managers is largely related to the dualism of family and business in these organisations: non-family owner/managers may link entities of future family generations with the family

rather than the business, and consequently don't regard them as part of their (business) remit. It is a truism that certain managers are more likely to deal with certain groups of stakeholders. For example, the FD of a firm is more likely to deal with banks or other financial groups than an HR director is; it is unlikely that any HR director would object to that. It is possible that non-family owner/managers apply a similar logic to the stakeholder group future family generations, regarding them as linked with the family owner/manager and as therefore outside their job's remit.

5.1.2 Family Firm Owner/Managers as a Proxy for FFGs

The findings chapter (Chapter 4 Section 4.2) highlighted that family owner/managers not only become the proxy for the family firm in many cases, but also take on the role of proxy for the future family generations stakeholder entity. It appears that the discussion of this finding comes back to the general academic debate on who is, or should be, regarded as a stakeholder, and specifically whether non-human entities can or should be included. The family business dualism previously suggested may also play a role.

As was previously established, some authors (Phillips & Reichart, 2000) have rejected the notion of non-human entities being allowed stakeholder status, while others (Haigh & Griffiths, 2009) have argued that no academic would ever dispute the stakeholder status of customers, suppliers or competitors, who are technically non-human entities too. Moreover, the subject of (human) proxy plays a key role in this debate. As was noted in the literature review, future family generations do not fit the dichotomy of human versus non-human entities, as they may change from one status to the other over time. Non-human stakeholders such as customers or even the natural environment never change their non-human status; they will always require representation via a human proxy. That, however, is not the case for all entities of future family generations. While some entities are human (those who are born), others are and will remain non-human (those who have not yet been born). Consequently, those non-human entities require a human proxy, i.e. a human to speak and act on their behalf. In the family business context it is therefore an obvious choice for the family owner/manager to take on the role of human proxy for some entities of FFGs within the firm due to the

institutional logic of family firms which is based on the dualism of family and business; an aspect the family business owner/manager incorporates in one person due to the direct link with both the family and the business. This generally accepted direct link with the family also makes all employees who are not family owner/managers accept the family owner/manager as the human proxy for future family generations, as was confirmed in the interviews carried out for this research. Consequently, the findings here support the argument that human proxies are used for non-human stakeholders.

The second point where the findings from this research diverge from the often-applied academic dichotomy of human versus non-human entity concerns the subject of the temporal dimension of future family generations. Some interviewees exhibited a differentiation based on whether future family generations are born/unborn, i.e. human and non-human, while others applied a more differentiated approach often related to the age of the entity and/or their stage of education. As a consequence, this differentiation of future family generations by their temporal dimension (as illustrated in Figure 33, p.226) moves away from the traditional dichotomy.

Moreover, the findings highlighted that family firm owner/managers assumed the role of proxy for entities of future family generations already born (and therefore human), but who were still regarded as too young for a role in the firm. Consequently, the temporal dimension was observed to influence the associated stakeholder status or salience of future family generations in the business context. Furthermore, the way in which the family business owner/manager acts on behalf of the firm appeared to be linked to whether s/he also intended to act on behalf of an entity of future family generations.

Waddock (2011) developed a concept that may explain the phenomenon of assuming the role of a proxy for a human entity. Waddock argued that non-human entities do not have what she called a *voice*. In line with many other authors, she therefore promoted the idea that “[c]orporations rely on humans to speak for them” (ibid., p.195). While she emphasised that “having a voice [i.e. being able to speak] is not a prerequisite to stakeholder status” per se (ibid., p.195), she reasoned that “[v]oiceless stakeholders can make only “indirect

claims” because of their lack of voice” (ibid., p.196). Furthermore, she stressed that the “core problem associated with giving validity to these unspoken claims is one of interpreting those claims properly” (ibid., p.196). Hugo’s story supports Waddock’s concept, as Hugo’s young children voiced an interest in joining their father’s family business when they grew up. Despite that interest, Hugo does not assign stakeholder salience to them. Moreover, Hugo directly stated that he does not plan to take these expressed interests seriously until they “know what they want”, meaning until they are older. This example clearly highlights Waddock’s view that having a voice, i.e. physically being able to speak, does not necessarily mean that an entity’s expressed stakeholder claim is taken as such, or that the entity is regarded as having a voice in the first place. On the contrary, Hugo’s story shows that the manager of a firm (in this research, the family business owner/manager) is required to interpret that entity as having a voice and the claim as valid. It therefore becomes clear that the differentiation of future family generations into temporal dimensions is done based on human/non-human status, but also because interviewees do not regard their young children as having a voice (yet).

The latter was found to change only at around the age of 16/18 years, and is seemingly based on the family owner/manager’s considerations of age and the interpreted validity of expressed opinions, or their perceived lack of validity. Ultimately, it appears that the discussion returns to Mitchell and colleagues’ (Mitchell et al., 2011) point, referred to in the previous paragraph: “managerial attributes such as values, beliefs, attitudes, etc. and institutional contexts influence managers’ views and prioritization process with regard to stakeholders” (ibid., p.237).

Nevertheless, it is quite possible that the specific institutional logic of family firms (relating both to family and business) may also be a contributing factor in applying temporal dimensions to future family generations, but specifically to differentiation according to age. In the family context of a western society, the next generation becomes “of legal age” at 18 years old in most western European legal frameworks. There is nothing to suggest that the family owner/manager does not apply this family logic to the business with regard to future family generations as stakeholders as they are perceived as having a voice (or not as yet).

Overall, the identified dual-proxy role of family firm owner/managers in some cases in this research may also be due to the identified institutional dualism. In fact, many prior scholars have noted the influence of the family on the business as the initial literature review established (e.g. Rutherford et al., 2008). As a consequence, it can easily be argued that the family business owner/manager is the key link between the family and the business, but more importantly that they become the proxy for the family in the business¹⁰¹. While this explains why the family owner/manager is the proxy for some entities of future family generations, it may also offer insight into why family owner/managers become the most likely, or possibly even the only, proxy for the firm in relation to the future family generations stakeholder entities; and why other non-family or non-owner managers in the firm generally do not intend to take any action.

For employees of the family business who are not family owner/managers, the direct link between the family owner/manager and the family was made apparent by several interviewees. However, non-family owner/manager interviewees did not appear to regard that as a one-way relationship, clearly indicating it to be bidirectional. For these employees, the family owner/manager becomes the link between future family generations (potentially regarded as a sub-set of the family) and the business. On the one hand, they seemingly accept the family firm owner/manager's concern and responsibility for the family and thus the future family generations, with the effect that the owner/manager becomes the proxy for future family generations and speaks on their behalf; while on the other hand, again due to the link with the family, non-family owner/managers appear to accept that owner/managers become the proxy for the firm where future family generations are concerned, and that they therefore speak on behalf of the family business with regard to future family generations.

5.2 **The WHAT and WHY**

The generally accepted academic approach to stakeholder identification and classification refers to stakeholder attributes. This research has taken a different

¹⁰¹ From a stakeholder perspective, the family is a stakeholder due to ownership, and the family owner/manager is the firm's proxy not only to manage them but also to speak on their behalf, or in other words, to be their voice, in line with Waddock's views.

approach and was not concerned with testing hypotheses which, for example were linked with one or several of the salience model's attributes. Instead, it has aimed to investigate the meaning given to future family generations as stakeholders of the family business.

While the focus of the following sections is placed on the findings arising from this research, it is necessary to discuss those findings in the context of the dominant academic approach of the salience model and its three stakeholder attributes. The "traditional" academic approach is discussed briefly initially, before moving on to the discussion of findings which emerged from this research's inductive interpretative approach.

5.2.1 Traditional Academic Approach to Stakeholder Status and Salience

The literature review for this research identified the stakeholder salience model developed by Mitchell et al. (1997) as among the most influential academic works relating to stakeholder identification and classification according to their salience. The basic assumption of this model is the stakeholder's "possession or attributed possession of" one or several of three attributes: power, legitimacy, and urgency (ibid., p.854). In the authors' view, those "individuals or entities possessing none of the attributes are non- stakeholders or potential¹⁰² stakeholders" (ibid., p.873). Mitchell et al. (Mitchell et al., 1997) implied that both the "power to influence the firm" and the "urgency of the stakeholder's claim on the firm" are driven by the stakeholder (ibidem, p.854). Legitimacy, on the other hand, was seen in terms of the relationship with the firm, rendering that attribute as slightly less driven by the stakeholder. Legitimacy is linked with "some socially constructed system of norms, values, beliefs, definitions" (ibid., p.869).

Furthermore, these norms, values and similar are argued to be likely to depend on the firm managers' *characteristics*, and "the manager's perception of a stakeholder's attributes is critical to the manager's view of stakeholder salience" (ibid., p.871). In general, the authors (Mitchell et al., 1997) posited that

¹⁰² The authors do not define exactly what they mean by "potential", but it can be interpreted from the context that they regard any entity that may become a stakeholder in the future due to changes in circumstances, including changes to managers' perceptions, to be a "potential stakeholder".

stakeholder salience is “the degree to which managers give priority to competing stakeholder claims” (ibid., p.869), and that any “theory of stakeholder salience [...should be able to] explain to whom and to what managers actually pay attention” to (ibid., p.854).

5.2.1.1 Power Attribute

Mitchell and colleagues originally argued in 1997 that “[a]n entity may possess power to impose its will upon a firm, but unless it is aware of its power and willing to exercise it on the firm, it is not a stakeholder with high salience for managers” (ibid., p.868). In general terms, the exercise of power requires not only for one entity to be aware of its own power, but also for another individual to be aware of that entity’s power and to accept it (Kavalski, 2013; Oren, Luck, & Miles, 2010). Exercising power therefore requires a reciprocal relationship; in this research, the parties involved are the future family generations and the family business owner/manager as the family firm’s proxy.

Moreover, exercising power also requires the stakeholder entity to be human. If all unborn future family generations are regarded as non-humans, it follows that they possess no power attribute. In addition, the conscious exercising of power requires the stakeholder to be of a certain (cognitive) age. Consequently, future family generations are differentiated into two entities: those as yet unborn, and those who are born and of a certain age.

Nothing in this research suggests that the interviewees perceived and exercised power. Although some presented the use of age as a differentiating factor, nothing in the data suggests that the relevant future family generation entities are making an actual claim that would fall into this salience attribute. On the other hand, the research found that age differentiation with regard to already born future family generations appears to be linked with what Waddock (2011) referred to as “voiceless stakeholders”.¹⁰³ If an entity is perceived as not having a voice, e.g. unborn future family generations, or as being too young to make decisions,

¹⁰³ The subject of “voiceless stakeholders” is discussed in a subsequent section.

the family owner/manager becomes the proxy for these entities and takes action independently of their (perceived) claims. Thus, non-human and voiceless entities are possibly regarded as lacking power, whereas those born and of a certain age are entities with (normative) power, if the requirement of stakeholder action is neglected.

Then again, this research also found that the age differentiation was largely based around the family business owner/manager's acceptance of their children's expressed wish to join the family firm (or not). This expressed interest falls outside the academic definition of the use of (normative) power. Therefore, (normative) power as a stakeholder attribute as suggested by Mitchell et al. in 1997 would not identify and/or differentiate future family generations as stakeholders or define their salience.

Mitchell et al. (2011) reviewed the original salience model in 2011 in the context of family businesses and concluded that the normative type of power was the most dominant type in family firms. They defined normative power (ibid., p. 242) as: "power that is based upon prestige, esteem, and social symbols such as love and acceptance", basing their definition on Etzioni's (1964) original definition of normative power (ibid., p.59):

Pure symbols are those whose use does not constitute a physical threat or a claim on material rewards. These include normative symbols, those of prestige and esteem; and social symbols, those of love and acceptance. When physical contact is used to symbolize love, or material objects to symbolize prestige, such contacts or objects are viewed as symbols because their effect on the recipient is similar to that of "pure" symbols.

This somewhat invalidates the original salience model's approach to the power attribute. Moreover, the authors now argued that normative power in family firms is mostly based on altruism¹⁰⁴. This new stakeholder power attribute definition is more in line with the findings from the present research. Mostly, this is the case because the authors no longer seem to require action from the stakeholder. Furthermore, they appear to place a more leading role onto the manager rather

¹⁰⁴ Altruism was defined by the authors as the "condition where the utility of one individual is linked to the welfare of another (Bergstrom, 1989; Schulze et al., 2001)" (Mitchell et al., 2011, p.242).

than the stakeholder. The implications for this research are that non-human entities such as unborn future family generations may be considered to fall within this new power definition.

This research has found that some interviewees wish for the family to maintain the family business for generations to come, so, for example, that they are financially secure. This may be regarded as falling within the remit of altruism. However, the consequence of this logic would be that all future family generations are to be included in these altruistic considerations, as altruism would be aligned with lineage (the latter being a stakeholder attribute that was placed under the category of *legitimacy* by the same authors). However, using lineage would lead to the result that future family generations cannot be differentiated, as they are all, by default, members of the family. In addition, it should be noted that Mitchell and colleagues (Mitchell et al., 2013) specifically excluded lineage from the normative power category in 2013.

Moreover, this research does not find that lineage or altruism always creates stakeholder status or salience. On the contrary, interviewees Fred and Bernd revealed that the altruism exercised by the family business owner/manager may lead to no consideration of, in their case, the next family generation as a stakeholder entity (or any future generation for that matter). Both Fred and Bernd regard their family businesses as too much hassle with too little financial return and therefore do not wish their children to have to deal with them. As a consequence, both decided they will sell their family business in the near future, without ever having involved or consulted their sons. They regard this approach as “in the best interest” of their children. This view put into action is undoubtedly based on altruistic motives, yet it is not linked with attributing stakeholder status or even salience; indeed, as has been explained here, the opposite is the case.

Interviewees Caspar, Helena and Neil together provide another example from this research showing that lineage alone is not sufficient to create stakeholder status. Moreover, the altruism shown by these interviewees does not extend to generations beyond the next. All three interviewees spoke about their grandchildren in the business context, and specifically in terms of transfer of ownership, but none of them expressed the wish to take action based on altruistic

motives. On the contrary, all three, and Helena most explicitly, made it clear that they leave all such decisions and actions up to the parents of their grandchildren.

In 2013, Mitchell et al. (2013) added the consideration of family name, as a brand, to the stakeholder attribute category of normative power in family businesses. However, this research did not find any indication that the use of the family name is applied as a differentiating factor by any of the interviewees with regard to stakeholder status or salience. On the contrary, several interviewees (e.g. Fiona, Hugo) exhibited the opposite, i.e. a lack of consideration for the family name. Instead, these interviewees applied the consideration of the link with the family, i.e. the family connection.

Overall, the findings from this research do not support the use of power or normative power as a stakeholder attribute with which to identify or differentiate stakeholders and their salience. This position must also be extended to the use of altruism as far as future family generations are concerned, although that is not to say that altruism or other forms of normative power do not play a role in attributing stakeholder status/salience to entities of future family generations in some cases. However, the context in which it is used is likely to be key.

5.2.1.2 Legitimacy Attribute

The initial literature review for this research identified that a social constructionist approach to identifying legitimacy was originally used (Mitchell et al., 1997), and was later re-interpreted into legacy-based legitimacy with a specific focus on lineage (Mitchell et al., 2011, 2013) argued to relate to “possessing status conferred by birth and/or relationship-based privilege” (Mitchell et al., 2011, p.244). Lineage was to be extended to past and future generations, with direct lineage prioritised over aunts/uncles or nieces/nephews. The findings from this research, however, do not necessarily match this view of lineage in general, or of direct lineage specifically.

Interviewee Neil's story is somewhat in line with Mitchell et al.'s 2011 view as his own daughter received (higher) salience than his niece with regard to a potential future transfer of ownership of the business. Moreover, this salience was diverted to her husband, the son-in-law, when Neil's daughter expressed that she had no intention of ever joining the family firm. It was, however, not diverted to the niece once his son-in-law had decided to leave the business. Instead, Neil now assumes that he has to delay his own retirement.

According to Mitchell et al.'s argument, grandchildren, who have direct lineage, should be favoured over nieces etc. as well. Yet, this research does not see a match with that opinion, instead finding that grandchildren are not considered at all. This latter point appears to be based on the consideration of the temporal dimension and in connection with the transfer of ownership, a point that was recently also identified by some academics (Anglin, Reid, Short, Zachary, & Rutherford, 2016) in a slightly different research context though. Mitchell et al. (2011) had argued that succession is the most relevant theme within legitimacy in a family business, based on other family business research studies (Chrisman et al., 2003; Chrisman, Chua, & Sharma, 2005; Sharma, Chrisman, & Chua, 2003b).

In order to be able to take over ownership, the entity has to be of an age that is regarded as appropriate. Grandchildren, in Neil's case a 1 year-old, do not qualify for this due to their temporal dimension. Thus, direct lineage alone is not a stakeholder attribute that qualifies for stakeholder status or salience. On the other hand, Fiona's story highlights that nieces and nephews, and potentially even second cousins, can sometimes be considered as potential successors, and that direct lineage is not a pre-requisite. However, an expressed lack of interest or the absence of any expressed interest means that the attribute of lineage is outweighed by other considerations, leading to no stakeholder status being assigned other than as a potential employee.

In summary, this research does not find that the identified meaning that is given to entities of future family generations matches the suggested salience model in relation to the application of legacy-based legitimacy, and specifically to (direct) lineage. The differentiation made by the interviewees in this research cannot be

explained by this stakeholder attribute, nor does it create salience. Moreover, even though (direct) lineage never changes for a member of a future family generation, this research finds that their stakeholder status does change over time. It also appears that the manager's considerations and interpretations of his/her environment and influencing factors such as expressing an interest or being of a certain age each have roles to play in assigning stakeholder status or salience. Consequently, as the previous discussion on normative power has shown, managers play the dominant role and the emphasis moves away from the stakeholder and its attributes.

5.2.1.3 Urgency Attribute

One factor forming part of the concept of urgency (Mitchell et al., 1997) was that of time sensitivity specifically: "the degree to which managerial delay in attending to the claim or relationship is unacceptable to the stakeholder" (ibid., p.869). This attribute clearly requires action from the stakeholder. It therefore returns the discussion to the human versus non-human debate, and the issue of "voiceless stakeholders" (Waddock, 2011).

Those entities of future family generations who are as yet unborn or are regarded as not having a voice, will never be categorised as having to be attended to by the firm's managers in line with Mitchell et al.'s definition. Only those entities of future family generations who have been born and have reached a perceived minimum age qualify for that attribute, thus creating a division of future family generations into two entities and again applying a temporal dimension to those already born. However, as the examples of Fred and Bernd in this research (who do not want their children to join the business) specifically highlight, there is nothing to suggest that being of the right age automatically leads to stakeholder status or salience. Instead, other considerations have an influence; in Fred and Bernd's case, these include their prioritising of the next generation in terms of wanting what is best for them.

Similar reasoning partly applies to the second urgency property, criticality, which was defined as "the importance of the claim or the relationship to the stakeholder" (Mitchell et al., 1997, p.869). However, the issue around the "relationship to the

stakeholder” reverts back to the identified criticism of the legitimacy attribute, specifically with regard to lineage and succession in this research. The relationship with the future family generation stakeholder entity is created through the family connection, i.e. via lineage. All future family generations by default have lineage, and thus should theoretically be assigned the same level of urgency. Yet, this research again finds that its interviewees do not necessarily follow the proposed academic theory. Using Neil’s story as an example, it becomes clear that it is not the direct lineage between Neil and his daughter (or lack thereof to his son-in-law), but Neil’s own wish for retirement that leads to his relative urgency in identifying a successor for his business.

Mitchell and colleagues (Mitchell et al., 2011) additionally argued that in cases where non-economic goals such as the pursuit of socio-emotional wealth considerations, (involving a long-term orientation) are prioritised, the two properties of the urgency stakeholder attribute are not likely to be independent, but are instead assumed to be linked with one another, unlike in non-family firms. Specifically, the academics argued that the temporal aspects of decisions, i.e. whether they are short or long-term, have no impact on urgency and thus on salience. However, this research has found that the temporality of decisions such as pursuing a long-term orientation does make a difference to some interviewees and the meaning that they give to entities of future family generations as a result. The logic of the salience model would mean that unborn future family generations would not receive stakeholder salience or potentially even status, yet this research has found that some interviewees who want to maintain family involvement and control over the family business for generations to come (i.e. to pursue a long-term orientation) do place at least potential stakeholder status upon unborn entities (e.g. Ismail, Karl).

Overall, the promoted stakeholder attribute of urgency does not allow sufficient explanation for the range of meanings that the interviewees exhibited in this research. On the contrary, it appears that the pursuit of non-economic goals such as long-term orientation in particular contradicts the proposed urgency property of time sensitivity, and undermines the argument relating to the lack of influence of the temporal aspects of decisions.

5.2.1.4 Consolidating the Traditional Approach

The previous sections have highlighted that the findings from this research are not congruent with the assumptions made in the salience model regarding the identification and differentiation of stakeholders through the use of a stakeholder attribute approach. It thus contradicts recent academic work on the argued direct linkage between stakeholder salience and their attributes (Khurram & Charreire Petit, 2015). Moreover, those interviewees who may be interpreted as having used factors linked with the salience model's attributes (such as Fred and Bernd's altruism) do not act in the way that the salience model suggests. Instead, it was highlighted that ultimately it is down to the manager, i.e. the interviewee in this research, to decide on the status given to entities of future family generations, which they do by applying a range of considerations.

To a large degree, it appears that the identified disparity between theory and practice is linked to the fact that future family generations change their status over time. No other stakeholder group is known to do that. It may be that this is partially the reason why the temporal dimension of future family generations identified in this research appears to be an important factor for interviewees.

The temporal dimension of future family generations may be regarded as a stakeholder attribute. However, in general, this research suggests that the stakeholder attributes used in the stakeholder salience model proposed by Mitchell et al. (1997) are not relevant for interviewees when they give meaning to future family generations as stakeholder entities. Instead, the prioritisation of certain entities over others is clearly the result of a social construction process carried out by the manager, taking into account more than just the stakeholder. Furthermore, the validity of a concept must be questioned if it requires re-interpretation and modification to allow for different contexts, such as family businesses, as seems to be the case here.

Another more generic observation relates to the academic desire to use only three attributes, i.e. variables, in identifying and classifying stakeholders in the family firm context. Numerous prior scholars have attempted to measure "familiness" and family involvement over the years, for example via the so-called F-PEC scale (Astrachan et al., 2002; Klein et al., 2005). Here, the "F" stands for familiness or family influence; the "P" for power; the "E" for experience; and the

“C” for culture. Astrachan and Klein and their respective colleagues identified 18 subcategories that were assumed to be able to define family influence, but have since received criticism concerning the validity of this concept as they were unable to verify it (Holt, Rutherford, & Kuratko, 2009; Rutherford et al., 2008)¹⁰⁵.

In taking all these considerations with regard to the F-PEC scale into account and comparing it with the stakeholder salience framework, it is perhaps unsurprising that prior research studies have struggled to fit family firms into a framework that only uses three variables, when other academics in the family business research field have struggled to make an 18 variables model work. In addition, although the F-PEC scale has already placed significant emphasis on culture and family values, it does not appear to be able to explain the heterogeneity of family firms. It is therefore of little surprise to find academics having to re-interpret a salience model that hardly allows for family values.

Overall, this research appears to reveal that the general approach of employing stakeholder attributes, and attempting to reduce family firms and their managers' behaviour and considerations down to a few factors, is inappropriate. The following sections address this issue by discussing the findings from this interpretative research, which focused on the perspective of the family firm manager rather than basing its analysis on stakeholder attributes.

5.2.2 The Meaning Given to Future Family Generations from an Interpretative Perspective

The previous sections concluded that the use of the three stakeholder attributes as proposed in both the original and the modified salience model is not sufficient to explain the range of meanings given to future family generations found in this research. This study therefore confirms the criticism of the concept expressed by Crilly and Sloan (2012), who argued for a shift of focus away from the stakeholder and towards the manager as in their words, the stakeholder approach

¹⁰⁵ Rutherford and colleagues (Anglin et al., 2016) recently suggested using a different set of (three) variables.

needed an inside/out approach in addition to the traditional outside/in approach; an approach that focuses on the firm and/or manager as well as the external (stakeholder). This research employed that inside/out approach, i.e. the manager's perspective, which is now discussed. It thus used a somewhat similar approach as very recent work on the subject of top managers' perceptions of stakeholders related to human resource management (Järlström et al., 2016). In addition, it partially followed the recent proposition by Weitzner and Deutsch (2015): to add consideration of "the decision makers' motivations for accepting or rejecting the influence attempts of varying stakeholders" (ibid., p.1337). It diverted from this view though by not only incorporating views from managers in the firm, but more importantly by not focusing on their "motivations", instead focusing on considerations used to create the meaning given to future family generations. Moreover, it diverted from Hall and colleagues' (Hall et al., 2015) proposition by not focusing on the influence that "managers' epistemic beliefs" (ibid., p.907) may have on salience, as a form of "antecedent" to these considerations, in line with exclusions in this research. Nevertheless, the institutional context, the dualism of family and business, is added in the discussion where felt appropriate and useful to enhance the interpretative argument made.

Although only family business owner/managers were found to act upon the meaning given by them to entities of future family generations, the following sections consider the views of all interviewees as interpreted by the researcher. The structure of the subsequent discussion follows the model of findings as illustrated in Figure 32 (p.225), with the five core-categories and underlying aspects partly merged to allow for a more focused discussion.

5.2.2.1 Temporality

This study's initial literature review did not consider aspects of temporality. It is therefore necessary to provide a brief background to the prior research on that subject before discussing the present findings in that context.

Family business academics have addressed the general theme of temporality in family firms with what Sharma et al. (Sharma, Salvato, & Reay, 2013) described as “quiet perseverance” (ibid., p.1). The authors argue in their editorial to the special edition of *Family Business Review* on the topic that some progress has been made in recent years, but that overall “studies that explicitly incorporate time-related variables in family business research are exceptions rather than the norm” (ibid., p.1).

Although research into the long-term orientation (LTO) of family firms and socio-emotional wealth (SEW) in general appears relevant to this research, it emerges that not much attention has (yet) been paid to temporal aspects. Lumpkin and colleagues (Lumpkin et al., 2010) on LTO, or Naldi et al. (Naldi, Cennamo, Corbetta, & Gomez-Mejia, 2013) and Wiklund et al. (Wiklund, Nordqvist, Hellerstedt, & Bird, 2013) on SEW, or Anglin and colleagues (Anglin et al., 2016) on antecedents of family influence are no exceptions. While their quantitative research approach incorporates one variable each that is somewhat related to time, they did not provide any insight which could be used for the purpose of this research. One identified partial exception is more recent work that considered the impact of past, present and future “reference points” on LTO when identifying three dimensions (Brigham et al., 2014, 2016). However, the authors concluded that their research was only the starting point in the academic journey on time and temporality, and that a lot still had to be done (Brigham et al., 2014). Similarly, Zahra and colleagues’ (Zahra, Wright, & Abdelgawad, 2014) work on “time as a dimension of context” (ibid., p.482) had acknowledged the potential pursuit of long-term horizons in family firms, they, too, however conclude a lack of research into time.

The situation appears similar in the general organisational studies literature. Bluedorn and Denhardt (Bluedorn & Denhardt, 1988) lamented the lack of addressing of temporal issues in organisation and/or management research. Only a decade later did the Academy of Management address the lack of time and temporal research and publications with a special edition. While Ancona et al. (Ancona, Goodman, Lawrence, & Tushman, 2001) bemoaned the lack of temporal research in general, they also presented a good case for why this type of research is necessary, concluding that temporal research will “provide new

insights” to “understand phenomena where the primary focus is on nontemporal issues” (ibid., p.660). Similar views were expressed by Ancona et al. (Ancona, Okhuysen, & Perlow, 2001) and Butler (1995). The four temporal styles developed by Butler (clock, organic, strategic, and spasmodic) were regarded as “different ways to understand, explain, and react to time” (Ancona, Okhuysen, et al., 2001, p.519).

Some academics have reduced temporal dimensions to past, present, and future (Hydle, 2015); very much looking at it from an objectivist perspective. Ancona et al. (Ancona, Okhuysen, et al., 2001), however, took the research a step further by developing a framework providing insights into “conceptions of time, mapping activities to time, and actors¹⁰⁶ relating to time” (ibid., p.512). Although the authors regarded their framework as a starting point, the third category is of specific interest for this research. It is divided into the actors’ perception of time and how they act in relation to time. The latter point takes into account the concept of temporal orientation and includes these authors’ considerations of the future.

Interestingly, no general consensus seems to have been reached on who should be studied, or which entity this temporal orientation relates to. For example, Ancona et al. (Ancona, Goodman, et al., 2001) argue for “temporal research at the individual, group, and organizational level of analysis” (ibid., p.660). On the other hand, Butler’s four styles relate to the individual’s concept of time, and Bluedorn and Denhardt (Bluedorn & Denhardt, 1988) view the individual’s concept of time in relation to the time horizon(s) used in or for the firm (ibid., p.308):

An important dimension of an individual's temporal orientation is the length of his or her time horizon, and the planning function in modern management makes the concept of time horizon and individual differences regarding it very important.

The question of *whose* temporality should be studied and *who* temporality should or does relate to has already been addressed in this research in discussing which entity is the proxy for the firm and/or the entities of future family generations. It

¹⁰⁶ “Actors” is defined by the authors as any type of entity, and includes the individual, an organisation, groups of people, and/or society.

becomes clear that here, the key temporal orientation is that of the individual manager of the family firm, and that it is related to the time horizons linked with their choice of prioritisation; that is: the family, the business, the FFG, and/or him/herself. Ultimately, it is the temporal orientation together with the chosen priorities that leads to implications for stakeholder status and/or the salience of future family generations as stakeholder entities, as the following example from this research suggests.

Interviewee Oskar can be interpreted as having had a medium to long-term orientation in his business due to his growth ambitions; in other words, his priority was the business. However, the sudden occurrence of health issues meant that not only has he not been able to work as hard as he had planned, but his life expectancy is likely to be reduced dramatically, too. His priorities therefore to some degree moved away from the business and towards himself, and specifically, his health. While this example confirms the importance of the individual's temporality, it may be that another level is also relevant for temporality, too. Before these health issues, Oskar had regarded his children as stakeholders of the business as they had been expected to become employees and also successors. It is impossible to say whether Oskar regarded any of his children as a stakeholder with salience before his health deteriorated, but since then he has placed salience on his older child, his son but to a realisation that he would need his son's support to achieve his goal of growing the business.

His health issues meant that Oskar had to recognise that his personal time horizon (i.e. life expectancy) was unknown and that he therefore must rely on one or both of his children to fulfil his (slightly reduced) ambitions for the business. However, since his son voiced an interest at around 17 years old, of pursuing a career outside the family business, Oskar no longer regards his son as a stakeholder with salience, but only as a (potential) stakeholder¹⁰⁷. As a consequence of his son not wishing to join the FB, Oskar's time orientation in relation to the business and to himself has now changed, as he clearly expressed: He knows that he cannot expect to fulfil his business growth ambitions anymore (without help from a younger family member) and therefore he does not plan

¹⁰⁷ Oskar has seemingly not yet given up hope that one day his son may join the business.

ahead, instead taking things one day at a time, in line with his new personal time horizon. Oskar thus not only applies some form of temporal dimension to his children, i.e. the next family generation; he also applies a time horizon which changes in line with changes in his priorities both to himself and to his business. However, Oskar's story also relates to the general theme of time affecting the temporal status of future family generations, i.e. age, or being born, in a way that cannot be controlled or influenced.

Verbeke and Tung (Verbeke & Tung, 2013) also expressed views along similar lines regarding time in general, arguing that stakeholder claims in terms of their content and/or salience change over time. However, Oskar's story suggests that it is not necessarily (only) the stakeholder's claim that changes, but also that the priorities set by the individual who carries out the stakeholder identification and/or assessment may change and, as a result, influence stakeholder status and/or salience. In this research, Oskar's changed priorities led to changes in the stakeholder status and salience of his own children, who represent the next family generation. In addition to the identified link between the temporal horizons applied and the priorities set, it is also apparent from Oskar's story that multiple time horizons may be applied simultaneously by the family business owner/manager.

Rosie represents another example from this research of an interviewee clearly suggesting an obvious temporal orientation that affects the stakeholder status/salience of FFGs, and specifically that of the next generation. Rosie was in her early thirties when interviewed, and had taken over the position of the MD of the family business a few years prior due to her father's sudden health issues. It appears that because her father is still alive, and technically remains the chairman of the board, she does not regard herself (yet) as the current family generation, i.e. the generation in charge, but as the next family generation. As a consequence of this, and of her own young age and as yet unmarried and childless status, which she specifically expressed as reasons, she does not pay any attention to the next family generation, or link it with succession or the transfer of ownership, even though she acknowledges that she "probably should". It is therefore obvious that her own temporal dimension impacts upon her temporal orientation and horizon, which does not reach beyond herself at present.

Temporality in this research was found to be linked with temporal orientation and the horizons applied, leading to the temporal dimensions identified, specifically those of future family generations. In addition, a link was found with time in general that impacts on the status, i.e. the age, of the stakeholder group entities in question. Moreover, a link with traditions – or, as more often identified in this research, the breaking with traditions, also appears to play a role, as interviewee Hugo revealed. He expressed the view that traditionally the first born son would have inherited the family business. Yet, his own path into the family business and to ultimately becoming the MD was nothing like that. Hugo went to university after finishing school and then went to work elsewhere. He admits that he never assumed that he would automatically get a job in the family firm or to take over its leadership and ownership, especially not at a time when his father (a first-born son) was still alive. He further admits that when his father approached him about becoming his successor in the business, he had to think about it. Eventually he agreed, leading to a controlled process of succession planning lasting for several years before his father retired from the business.

This story clearly shows that traditions can change over time, and that traditions - or breaking with traditions - may specifically impact on the stakeholder status of the next generation. In addition, it provides an example of how time may also alter the relationship between the current and next family generation. Hugo's lack of expectation that he might join and run the family business suggests that he had moved away from such traditions and did not regard himself as a stakeholder with salience. On the other hand, his father seemingly attributed stakeholder status to him which, again, was related to transfer of ownership, and potentially even salience. It therefore appears that initially the relationship between the current and the next generation, i.e. the firm's (potential) stakeholder, was imbalanced towards one side. However, the relationship balance clearly adjusted once Hugo had joined and agreed to take over the business, at which point the two men clearly established a much more equal awareness of each other's stakeholder status and salience.

Returning to the general aspect of temporality, Oskar's and Rosie's stories clearly reflect Butler's (1995) argument that time is regarded as a "socially constructed variable" (ibid., p.925), and individuals' perception (that is, their interpretation) of

the concept of time not only forms part of that construct, but also influences actions in organisations and other entities; in this research, it impacts on the stakeholder status and/or salience of some future family generations as stakeholder entities. However, Butler (1995) also argued for the influence of the institutional context on this social construction of temporal orientations, which is the initial focus of discussion in the following section.

5.2.2.2 Prioritising and Goal Setting in the Institutional Context

This research is not about identifying influencing factors that impact on considerations regarding the meaning given to future family generations; that is, the process of deriving at these considerations is outside this research. Moreover, this research uses a stakeholder perspective and not that of institutional theory. However, the influence of the dualism of family and business, its institutional context, has been established by academics as playing an important role. It is therefore necessary to briefly discuss this before focusing on prioritising and goal setting.

Institutional “reality” has for some time been regarded as a social construct made by humans (Butler, 1995; W. R. Scott, 1987). In the past, academics have often argued for “structure” to exist in firms (Eisenhardt, 1988; Meyer & Rowan, 1977; Tolbert & Zucker, 1996). It was often regarded as a “top-down perspective” (W. R. Scott, 2008, p.430) which assumed that the context, i.e. the environment, imposes structure on the firm, and as a consequence creates variations (Dacin, Goodstein, & Scott, 2002).

More recent work suggested that the institutional context (or “institutional logics” as they referred to it) impacts on actions in the firm (Reay & Hinings, 2009, p.631):

Institutional logics are the organizing principles that shape the behaviour of field participants. Because they refer to a set of belief systems and associated practices, they define the content and meaning of institutions. Thus institutional logics provide a link between institutions and action...

It is this latter link that Crilly and Sloan (2012) considered when concluding that enterprise “logics result from shared experiences and organizational history” (ibid., p.1191; the authors based their views on work by Tripsas & Gavetti, 2000, and Von Krogh & Roos, 1996) and influence managers’ actions and views. Moreover, they identified that “managers conceptualize their firms’ relationships with society and address the concerns of multiple stakeholders” in line with the firm’s “distinct enterprise [internal] logics [that] result in different levels of attention to stakeholders” (ibid., p.1175).

As emphasised before, it is not the purpose of this research to use an institutional theory/logics approach. However, considering Crilly and Sloan’s (2012) statement in relation to stakeholders it is necessary to look at the specific institutional context of family businesses briefly.

The specific institutional context of family firms has largely been linked with the dualism of family and business found in family firms (Dyer, Jr. & Handler, 1994; Melin, Nordqvist, & Sharma, 2014; Mitchell et al., 2011; Mattias Nordqvist et al., 2015), i.e. the co-existence of the family system and the business system. This academic view has been evidenced in some stakeholder related work (Gersick, Lansberg, Desjardins, & Dunn, 1999; Gersick, 1997; Lansberg, 1988; Sharma, 2003) which argued that the stakeholder map of family firms consists of three circles: the owners, the family, and the business. As a consequence, scholars such as Gedajlovic et al. (2012) argued that family businesses follow “mixed managerial motives” (ibid., p.1027), and are driven by economic (i.e. business) and/or non-economic (i.e. family) goals, as indicated in the initial literature review here.

Although they were not specifically working in the family business context, Tolbert and Zucker (Tolbert & Zucker, 1996) argued that individuals either consider economic goals or “social norms”, implying non-economic goals. They expressed the view that in setting non-economic goals, all other considerations are neglected, implying that the two types of goals not only compete against each other, but are in fact exclusive. Reay and Hinings (2009) found though that the pursuit of both economic and non-economic goals do not necessarily have to compete; they may co-exist. This position was recently supported by Jaskiewicz et al. (Jaskiewicz, Heinrichs, Rau, & Reay, 2015) who found that family and

commercial goals can in fact co-exist. Furthermore, Jaskiewicz et al. identified that family firms do not necessarily use these co-existing family and business goals in the same ways, but that they do display a level of heterogeneity.

The findings from this research clearly highlight the heterogeneity of family businesses with regard to the meaning given to future family generations as stakeholders. Moreover, the co-existence of family- and business-centred goals also becomes apparent. The stories told by interviewees Fred and Bernd, Oskar, and David all imply some level of altruism for the next family generation; Fred, Bernd and Oskar specifically revealed that by expressing that they simply want what is best for their children (David implied this less explicitly), thus implying that they prioritise the next family generation. Yet, the consequences for future family generations as stakeholders of this family-related goal and ultimate prioritising are different across each of the examples. Fred and Bernd intend to sell their respective businesses since they see them as too much hassle for the next generation, and they haven't found or didn't want to find a non-family successor. Thus, while the business goal may have changed over time, there is no present conflict between the family and business goals, and these owner/managers prioritise the next generation (and themselves to some degree too). It may be argued that the family goal – altruism – leads to prioritising the next family generation. However, that entity has no stakeholder status in the business context.

For Oskar, his son's lack of interest in joining the business means that Oskar cannot pursue his personal goal of growing the business due to his own health. He therefore had to adjust his own goals, and to some extent those of the business too. He appears to have no problem with prioritising his son, saying that the current "life-style-business" he runs suits him well. Nevertheless, despite prioritising his son, his son currently receives only potential stakeholder status, and no salience.

The combined stories of David and his FD Fritz imply that some goals co-exist and others appear to compete. David's intention to continue investing in the business was argued by both David and Fritz to be a solely business-driven decision. However, Fritz lamented David's resistance to reducing the family's

equity in the company to allow raising the cash for necessary investments. Family and business goals are therefore clearly competing. David states that that the firm is there for the family (implying for generations to come, creating potential stakeholder status for all entities of future family generations). But, he also admits that his children should not expect the company to remain in family ownership when they finish school, as he may sell it before then. This implies that some family-centred goals may compete with each other, but also with some business goals.

Similarly, while some business or family goals lead to prioritising the business, others indirectly lead to the prioritisation of all entities of future family generations, resulting in attributing potential stakeholder status to them. One example from this research showing an obvious co-existence of family and business goals is Rosie's story. She specifically stated that while the family, as the sole shareholders, would like to see as much profit as possible from the business, and the business is run to make profits, no shareholder would ever make a complaint if the profit was not as high as originally anticipated. Interestingly, neither the business nor the family goal appear to impact upon the meaning given to the future family generations as stakeholder entities by Rosie.

Other examples of co-existing goals are provided by instances of family firm owner/managers employing their relatives despite them having little or no firm experience or relevant skills. Examples from this research include interviewees Hugo, David, Rosie (and her father), Neil, and Fiona. Although all these interviewees favoured their family relatives as employees, they also only employed their relatives because the business had a need/vacancy.

Overall, these examples show part of the range of family centred goals, demonstrating the heterogeneity of family firms. Moreover, they highlight that the prioritisation of future family generations stakeholder entities may be linked to the goals of the family or the business (or both, or neither). The meaning given to some or all future family generations stakeholder entities found in this research therefore cannot be explained with reference to institutional context alone. However, some examples show that personal goals may influence stakeholder status.

Part of the specific institutional logic in family firms is the pursuit of non-economic goals. Goals related to the family have often been referred to as SEW (socio-emotional wealth) recently (Berrone et al., 2012; D. Miller & Le Breton-Miller, 2014; Naldi et al., 2013). In many cases, this category was found to be directly linked with temporality of the family business in terms of what is known in the family business research field as “LTO”¹⁰⁸ – long-term orientation. Le Breton-Miller and Miller (2006) argued that long-term orientation is linked to “concern for subsequent generations”, besides others, leading to certain decisions in the family business (ibid., p.734, but see also for example Arregle et al., 2007; Brigham et al., 2014, 2016; Nordqvist et al., 2015). Chrisman et al. (2012) argued for the latter as the key “defining feature of a family firm” (basing their views on work by Chrisman et al. (2004) and others) as it is based on “the family’s intention for the transgenerational sustainability of control” (see also e.g. Bingham et al., 2011; Chua et al., 1999; Nordqvist et al., 2015), as well as placing emphasis on the “long-term economic value to the family”¹⁰⁹ (ibid., p.273).

This research finds that some of its interviewees appeared to follow the academic theory building set out here, in that those interviewees who wish their family to stay in control of the business or to maintain certain family values for generations to come (i.e. to prioritise the family and/or future family generations over economic goals as suggested for example by Mitchell, Weaver, Agle, Bailey, & Carlson, 2016) place (potential) stakeholder status on all entities of future family generations. In fact, those interviewees were the only ones to assign stakeholder status to all entities of future family generations. However, the salience which these interviewees give depends on the temporal dimension of the entity of future family generations: only those entities who may be able and/or willing to take over the business, i.e. those who will provide the next stage in the process of this long-term orientation, are regarded as important. This lack of salience and sole focus on the next generation implies that the generally academic assumption of transgenerational intentions for the long-term in family businesses (Moss et al.,

¹⁰⁸ Brigham, Lumpkin, Payne, and Zachary (2013) based their views on work by Lumpkin et al. (2010, p.241) and defined LTO as the “tendency to prioritize the long-range implications and impact of decisions and actions that come to fruition after an extended time period”.

¹⁰⁹ The authors based their views on work by Gomez-Mejia et al. (2007).

2014; Wright & Kellermanns, 2011; Zellweger et al., 2012) may not be as dominant as past research has suggested.

Moreover, Yu et al. (2011) and Sorensen and colleagues (Sorenson, Yu, Brigham, & Lumpkin, 2013) have suggested that succession is a subject that falls only into the category of family logic, not business, and that it receives the highest level of long-term orientation; way above that of family ownership. However, again, the findings of this research cannot fully substantiate this. On the contrary (as will be discussed in the subsequent section), succession was firmly placed on the business side of the institutional logic by several interviewees, especially those whose firm has a family/firm constitution in place.

This research does find that not all family business owner/managers look beyond the next generation, i.e., they do not regard entities past the next generation as stakeholders, e.g. Fred and Bernd, who both intend to sell their respective businesses. In fact, as the stories of Rosie and Charles show, some interviewees do not even look beyond their own generation. The findings from this research therefore contradict those of Le Breton-Miller and Miller (2006), whose survey identified “that the vast majority of family business owners and leaders intend to keep the business in the family and the family in the business” (ibid., p.734). Instead, Fred and Bernd revealed that altruism and thus the prioritisation of their children (and of themselves to some degree, as they perceive their firms as a hassle), does not necessarily lead to a long-term orientation for the business; or to stakeholder status/salience for their children. Moreover, David stated that the firm is there for the family, and William regarded the family as the custodians of the firm, and each also showed that they are prepared to let go of the family business under certain circumstances; therefore, not necessarily handing the business over to a member of the next family generation, and not pursuing LTO.

Other examples from this research which contrast with the suggestion of long-term orientation as a non-economic goal of family firms by Le Breton-Miller and Miller (2006) came from those interviewees who own/manage family businesses with family/firm constitutions in place. Technically speaking, these constitutions regulate certain aspects of the business for the long-term including, for example, the firm’s future governance. Yet, its existence does not automatically represent the pursuit of a long-term orientation. Indeed, all interviewees who own/manage

such a firm indicated that their priority is the business, and that long-term family ownership is not regarded as a priority. Consequently, they regard the next (or any future) family generation only as stakeholders of (potential) importance once they (theoretically) qualify as either an owner and/or manager, in line with constitutional requirements¹¹⁰, and express an interest in the family business. Although only one of these interviewees directly expressed their lack of consideration for family generations beyond the next (George), the fact that they are all prepared to possibly sell their businesses indicates that long-term orientation as found by prior studies (e.g. Le Breton-Miller & Miller, 2006) is hardly a dominant family goal, or a business goal. The lack of any (obvious) long-term orientation of the family business leads indirectly back to the topic of transfer of ownership, specifically in relation to the next family generation, which is discussed in the following section.

5.2.2.3 Transfer of Ownership, Succession and Traditions

The previous section discussed that the pursuit of a long-term orientation in the family business leads some interviewees to associate (potential) stakeholder status with all entities of future family generations. Yet, the interviewees in this research assigned stakeholder salience only to those entities who are (potential) candidates for the immediate succession, i.e. the next family generation¹¹¹. It thus appears that a long-term orientation does not necessarily lead to associated stakeholder salience. A partial explanation for this may be found in the literature on the subject of succession (and transfer of ownership) in family firms (Wiklund et al., 2013; Yu et al., 2011).

For some time now, researchers (Breton-Miller, Miller, & Steier, 2004; Handler, 1994; Longenecker & Schoen, 1978; Sharma et al., 2003b) have regarded succession as a process: one that, according to Miller and colleagues (D. Miller et al., 2003), is caused by the desire of “continued family control via

¹¹⁰ As has already been pointed out, these constitutional criteria are often closely related to temporal dimensions of future family generations.

¹¹¹ Although Sharma and colleagues (Sharma et al., 2001) had suggested that succession may occur within the same generation, as none of the present interviewees implied or directly stated that they include a current family generation member in their considerations, this subject is not considered further in the research.

intergenerational succession, as when they hand over leadership to their children” (ibid., p.514). This intergenerational view is clearly in line with the previously cited argument by Davis (P. Davis, 1983, p.54), that: “the beat of time [in family businesses] is not a year but a generation”. As a consequence, stages in this process (of succession) are likely to be differentiated by (family) generations. The succession to the next generation, theorised as intergenerational succession, is likely to be the only one controlled and/or managed by the current family business owner/manager, and therefore the only one of any interest and importance to them. This interpretation is consistent with the findings emerging from this research.

No interviewee who talked about future family generations in the context of succession in general and/or the transfer of ownership in particular considered family generations beyond the next family generation, and they certainly did not regard them as important to the business¹¹². On the contrary, George made it clear that he did not care what happened to the business beyond the next generation, and especially not once he is dead¹¹³. However, it appears that temporal orientation (of the interviewee), and the prioritisation (of the next generation and/or the interviewee her/himself) play a key part in how the meaning of the next family generation is constructed by the interviewee in relation to the transfer of ownership.

The previous discussion on temporal orientation and time horizons identified that different levels may be considered. Here, it is the individual level that is of interest; specifically, that of the family business owner/manager. Several interviewees voiced the personal goal of wanting to retire. Fred and Bernd had decided to sell their businesses in the near future as they did not wish for their children to have to deal with the perceived hassle of the business. They therefore did not place stakeholder status on them due to their own temporal orientation; something that is not likely to change in the future. Neil, on the other hand, wishes to hand over his business sooner rather than later in order to be able to reduce

¹¹² Helena and Casper were the only participants who mentioned their – born – grandchildren, but they did not yet consider them as important. Instead, they intended to leave future decisions to their children, the grandchildren’s parents.

¹¹³ This latter view links back to his own temporal dimension.

his working hours and ultimately retire completely; again, his own temporal orientation is of importance. However, as he wishes to hand over his business to a (close) family relative, he initially placed salience onto his daughter and then later transferred that salience to her husband. Since neither work for the family firm at present or have the intention ever to do so again, Neil does not assign stakeholder salience or even status to any other family member in regards to succession and transfer of ownership. (His recently born granddaughter is not even regarded as a stakeholder as she is seen as too young to be able to fulfil his desire to retire).

On the other hand, Rosie emphasised that her own age and stage in life, i.e. her own personal temporal dimension, influenced her thinking about the stakeholder status of the next generation. She had only very recently taken over from her father, and she specifically expressed that she does not think about succession, or the next family generation as stakeholders, as she not only regards herself as still very young, but she also does not have children yet.

The other consideration often found in this research to be directly linked with transfer of ownership and, ultimately, how the meaning of future family generations is constructed, is that of prioritising. Interviewees revealed the prioritisation of the next family generation by expressing that they want what is (perceived to be) best for them. Although the temporal dimension of the next family generation is essential for stakeholder status and salience to be assigned (as their age and stage of education and/or work experience has to allow for a potential transfer of ownership), an expressed interest and/or willingness is required to attribute stakeholder status/salience. Clearly, if the expressed interests of the next generations are prioritised, this has implications for the transfer of ownership.

Sharma and colleagues (Sharma et al., 2003a, 2003b) established that one factor for a successful succession in family businesses is the wish/interest of the next generation in taking over, i.e. what the authors referred to as a push-approach (by the next generation) rather than a pull from the current family generation in charge. Other academics have argued for “interest” to be a factor in qualifying for stakeholder status (Kamann, 2007). Similarly, but somewhat misinterpreting

Sharma et al. (2001)¹¹⁴, Delmas and Gergaud (Delmas & Gergaud, 2014) prompted “willingness” as a criteria (ibid., p.3): “Intergenerational succession can only occur if there is a family member willing to take over the leadership. Research has therefore suggested future generations as potential stakeholders in the succession process, since they affect or can be affected by leadership transitions (Sharma et al., 2001)”.

The present research has clarified that prioritising of the next family generation has an impact on their stakeholder status depending on whether or not they express an interest and taking over the family business (or express that they do not wish to do so). However, as the concept of “voiceless stakeholders” (based on Waddock, 2011) suggests, expressing an interest or willingness is not necessarily sufficient to create stakeholder status or salience; the consideration of the temporal dimension of the next generation is also of importance in many cases. For example, Hugo mentioned that his very young children have expressed an interest in joining the family business, but that he disregards their wishes due to their temporal dimension (their young age) and his view about this voiced interest, leading to not assigning stakeholder salience (yet). Similarly, Fiona’s nieces and nephews have not expressed an interest despite their perceived-as-appropriate temporal dimension, and thus do not receive stakeholder status as a (potential) successor to the business. In contrast, when Hugo was asked by his father whether he wanted to become the future owner/manager, he not only gave his consent, but expressed a desire to do so, leading to his stakeholder status most likely changing in the business context¹¹⁵.

Interestingly, the findings of this research match an argument made by Ambrose (1983) a long time ago: If the next family generation does not express an interest or only a very limited interest, the current business owner/manager often decides to sell the business or dissolve it, moving away from prioritising the next generation to prioritising him/herself, in most cases with regard to likely financial

¹¹⁴ (Sharma et al., 2001) do not refer to future generations. They only mention the current and next generations, not beyond; whereas “future family generation” implies generations beyond the next.

¹¹⁵ It is interesting to note that academics recently identified a link between successful successions and communication between the generations (Michael-Tsabari & Weiss, 2015), which appears to have been the case here.

security for their retirement. While several interviewees expressed that as an option for the future, e.g. Fiona and William, Astrid is known to have acted upon it about a year after her interview. At the time of their interviews, all three expressed, and Astrid more recently confirmed, that their own future financial considerations played a large part in their considerations regarding selling their businesses.

The discussion so far has focused on the views expressed by the current family generation in relation to the next generation, i.e. concerning the next transfer of ownership. However, several interviewees also provided stories about their family business history and specifically about the older traditions that would have impacted on stakeholder status of the next future family generation. Traditionally, as stated by interviewee Hugo, based on the stories he heard from his father and other older relatives, the first-born son inherited the family business from his father (Greta told a similar story about her father's business history). Possibly partly because of this tradition, academics have looked specifically at the father-son succession process for some time. In 1978, for example, academics (Longenecker & Schoen, 1978) developed a seven stage succession process, which was later promoted by Birley in 1986 (Birley, 1986). However, in 1987, Churchill and Hatten (1987) argued for a process of only four stages. While these academic illustrations of the succession process focused on the traditional father-son succession, this research finds that these traditions are not necessarily adhered to any longer¹¹⁶. On the contrary, as Hugo stated when reflecting on his time before taking over from his father, he was not sure whether his father would hand the business over to him or not. This may be in line with recent findings from a literature review that identified parenting style to have an influencing effect on the next generation's behaviour (Goel & Jones, 2016). However, it is somewhat in contrast to other recent research that found a positive correlation between firm (financial) performance and the desire for the next family generation to join the business (A. De Massis, Sieger, Chua, & Vismara, 2016).

In fact, the findings of this research indicate that the current family owner/managers did not usually follow traditions, and are certainly not intending

¹¹⁶ The situation may be different in other contexts, e.g. that of other countries and cultures, as was found by some academics recently (Schenkel, Yoo, & Kim, 2016).

to impose any traditions on their own children or the next family generation in general. Instead, all interviewees expressed the view that the next family generation is being given the choice to join or not, as they wish. Moreover, some family businesses even discourage their children to join (e.g. Fred and Bernd), or have set out formal criteria in a family/firm constitution. Nevertheless, it becomes clear that the traditional approach to succession has implications for the stakeholder status and salience of the next family generation, and diverts from the present day thinking of current family generations and, specifically, family business owner/managers in terms of acting upon it.

In the past, where families, and especially fathers and sons, have followed tradition, the first-born son would undoubtedly have been attributed with stakeholder salience, but no other son or any daughter would have received it. Nowadays, as revealed by all the interviewees, they themselves were all given the choice of whether and when to join the family business. In many cases, the interviewees left school, went on to further education and/or started working elsewhere before eventually joining the family firm.

Furthermore, it appears that succession used to be a somewhat linear process. Fathers had the expectation that their first born son would take over the business, and the sons as the interviewees expressed, followed this expectation. While some sons went into further education or gained qualifications before joining the firm, once they joined, they would not leave again. In contrast to that, the interviewees' stories of how and why they joined are very different from this traditional, linear process of succession and transfer of ownership. The current approaches appear to be more in line with an "in/out" process based on free choice to join the family business, but also to leave it and potentially re-join (e.g. Rosie). Their wishes and interests are prioritised over the potential needs of the business. The latter is clearly presented in Neil's story about his daughter, but even more so his son-in-law, who had joined the company to become the assumed successor, only to leave after many years in the business to pursue a very different career. Consequently, stakeholder status and salience are no longer predictable as they were in the past, but which now have a wide range of variation which is not likely to change in the near future.

Moreover, the discussion here has highlighted that it is impossible to narrow down the meaning given to future family generations to one or two factors of temporality, institutional context, prioritising, goal setting, transfer of ownership, or traditions. Instead, it has been established to be a very complex and varied process with a range of potential outcomes. In addition, though, the discussion of traditions and temporality in particular has highlighted that the relationship between the family business and the stakeholder may change, an issue that is briefly discussed in the following section.

5.2.2.4 Relationship Between Business and Stakeholder

The findings from this research indicate that in some cases, the proxy for the family firm also takes on the role of proxy for some future family generations as stakeholder entities. However, over time, it may be that circumstances change and the dual-proxy role is given up. In 2002, Friedman and Miles (Friedman & Miles, 2002) lamented the ongoing lack of research into changes of relationship between the stakeholder and the firm over time. Almost a decade later, Verbeke and Tung (2013) made a start in addressing this gap in the literature, and ultimately in stakeholder theory. However, their research proposed the inclusion of a temporal dimension in stakeholder management theory in terms of adaptation of the firm to A) “[s]takeholder agendas and their relative salience to the firm [that] evolve over time” and B) “the dominant direction of stakeholder pressures” that change over time (ibid., p.529). It appears though that Verbeke and Tung (2013), and Mitchell et al. (1997) before them, had neglected to consider which of these considerations comes first: the stakeholder claim (made), stakeholder status/salience, or the one-directional relationship between the firm and the stakeholder.

Mitchell et al. (1997) saw the relationship direction as fixed (depending on the attribute considered), and believed that the claim made by the stakeholder leads to the attribution of stakeholder status and/or salience. Verbeke and Tung took a similar line, but with the relationship (direction) always being driven by the stakeholder, leading to the additional requirement of the firm to react to the stakeholder claim. However, in considering these presumptions in the context of

the family business for the future family generations stakeholder group, it becomes evident that while the relationship itself between family firm and stakeholder is fixed via the family connection, i.e. by lineage, this isn't necessarily only in one direction, nor is it always in the same direction.

Moreover, as examples from this research show, it is not only stakeholder claims or the managers' consideration of these claims that may change over time, but also the relationship itself, resulting in changed stakeholder status. The most obvious example here again came from interviewee Hugo, with regard to temporality. Hugo's father's break with the tradition of transfer of ownership to the first-born son led Hugo to believe that he was not entitled to join the family firm as an employee, or to become the next majority owner of the family business. Hugo made no claim, and thus before joining the firm did not have a status of importance to the business (only potential stakeholder status as seen by his father). However, the moment Hugo agreed to join and ultimately to become the future leader and majority owner of the company, his relationship with the firm and its human proxy – his father - changed dramatically.

The relationship between stakeholder and firm moved from a unidirectional one driven by the firm's proxy (before Hugo becoming an employee) to a bi-directional one in which the stakeholder was attributed a high level of importance due to his (expressed and accepted) willingness to become the next leader and owner. The relationship between the firm and the stakeholder thus became a reciprocal one, in which neither of the entities was likely to be pulling or pushing the other, but instead the relationship was based on mutual acceptance of their respective roles in the firm.

It is possible that the sequencing of this process is unlike the one presumed by Mitchell et al. (1997) and Verbeke and Tung (2013). Instead, it is more likely that the initial relationship between the firm and the stakeholder, as influenced by the dualism of family and business, prioritises the next family generation, i.e. creates (potential) stakeholder status for it, that only eventually incorporates claims or perceived claims such as expressed interest and willingness. It is this expressed and accepted interest and willingness which then creates the change to the stakeholder status. In conclusion regarding this example, the presumed linear, i.e. sequential process, between the assumptions about the relationship and its

direction, the stakeholder claim (made or perceived), and the resulting stakeholder status and/or salience made by Mitchell et al. (1997) and others is not in fact linear at all, but is a continuous, ongoing process of reassessing each of these three elements, carried out both by the stakeholder and the firm's proxy. In contrast, the salience model proposed by Mitchell et al. (1997) and applied by many scholars since has a sequential and static nature that the variations found in this research cannot support.

Verbeke and Tung's view also apparently neglects the consideration that the proxy for the firm attributes the stakeholder status and/or salience. This is something that Mitchell et al. (1997) considered in relation to their suggested attribute of legitimacy. Not only do the stories told by Fred and Bernd here have interest in this respect, but also all those interviewees whose firm adopted a constitution. By prioritising their children, Fred and Bernd do not associate stakeholder status with them, as their intention is to sell their businesses. The relationship is therefore clearly driven by the proxy of the firm and is completely independent of stakeholders' claims; in these cases, even independent of whether the next generation had expressed an interest or not.

The situation for firms with a formal constitution in place is similar, as here, the firm's proxies, i.e. the family owner/managers, largely do not regard the next generation as stakeholders until they fulfil the constitutional criteria. The potential stakeholder claim, i.e. the expressed interest of the next generation to join the business, only gains relevance if all the criteria are fulfilled and also usually if the business has a need that matches the next generation's intentions. Again, the relationship is one-directional, driven by the firm's proxy. However, this may change once the next generation is allowed to join the business, and is possibly linked with the circumstances of the business at the time.

Finally, the prior debate has also neglected situations whereby the proxy for the firm is the same entity/individual as the proxy for the stakeholder. In this research, it specifically relates to entities of future family generations who have not yet been born, or who are perceived as too young to make decisions for themselves. That means the relationship between firm and stakeholder does not exist, nor does it have a direction; everything is merged into one person.

Therefore, the only remaining aspects are the stakeholder's claim and associated stakeholder status.

Verbeke and Tung (2013) suggested that claims are made first leading to the stakeholder's status and then the firm's reaction to it. However, the flaw here is that the claim would have to be made by the same person who is assessing it. For obvious reasons, it is not possible to identify which of these two comes first or how exactly the claim and the reaction to it are constructed. It most certainly relies on certain considerations, and thus returns to the argument often made in this research: that managers' views are key to attributing stakeholder status and ultimately salience.

Taking the discussion of relationship between firm and stakeholder back a level, institutional context becomes of interest; specifically, the dualism between family and business in family firms, and its possible influence on the stakeholder status and/or salience of entities of future family generations. Gomez-Mejia et al. (2007) and others have argued that the family often intends to maintain family control of the firm for generations to come, while at the same time trying to achieve a sustainable financial return for the family in the long-term. Chrisman et al. (2012) referred to these goals as the "defining features" of family businesses. However, it appears that these two goals create a two-way relationship between the family and the firm. The family is maintaining its control in the firm but the firm offers (or has to offer) the family a (financial) return. The former is seen in the attitude of those interviewees who wish for the family to stay in control and often attribute stakeholder status to all entities of future family generations. The latter was exhibited by some of the present interviewees (e.g. William, Astrid and Fiona), who did not look beyond the next generation.

However, it is interesting to note that David appears to apply both goals (as was discussed in relation to competing and co-existing goals). The question therefore arises as to whether, and how, the relationship between the family and the firm impacts on the relationship between the firm and the stakeholder (or the firm's proxy and the stakeholder or its proxy). Although the present research did not address this issue, the previous discussion of the institutional context of family firms highlighted that the dualism found in family firms influences managers' and

especially family firm owner/managers' considerations. It therefore must be concluded that the relationship between the family and the firm is an influencing factor not only in terms of considerations of managers, etc., but also for the relationship between the firm and future family generations as stakeholder entities.

5.3 **Consolidating Findings and Developing the Conceptual Model**

The overall aim of this research was to investigate the meaning given to future family generations in family firms. While this research has achieved its task, the discussion of its findings has highlighted that the phenomenon is not straightforward, and that the use of stakeholder attributes cannot explain the variations found. Instead, the discussion established that a set of considerations linked with one or several of the categories identified in this research is used to create the meaning; this happens in a specific context and under specific circumstances, as the interviewees' stories highlight. The meaning given to future family generations is therefore clearly constructed by the interviewees' interpretations¹¹⁷ of their environment, context and circumstances, for which the identified core-categories and underlying assumptions create the basis.

The data collection and analysis presented in this thesis has identified that all interviewees use an apparently similar approach to creating a certain meaning for future family generations as stakeholder entities; but it is in fact the family business owner/manager who appears to be the firm entity taking the active role in stakeholder management. All the non-family owner/managers interviewed revealed either directly or indirectly that they had no intention to act upon the meaning they gave to entities of future family generations, but instead are comfortable leaving this to the family owner/manager of the firm. The discussion identified that the family owner/manager is therefore likely to be the accepted proxy of the firm with regard to future family generations, possibly because of the institutional context of family firms, i.e. the dualism of family and business. This specific institutional logic was also found to be a likely reason for the family

¹¹⁷ Cognitive processes were outside the remit of this research project. An overview of key considerations for each interviewee is provided in Appendix 8.7.6.

owner/manager to become the proxy for some entities of future family generations: those who are unborn and, in some cases, also those who are perceived as too young. The latter consideration of the interviewees was shown to be potentially linked to Waddock's (2011) concept of voiceless stakeholders.

Overall, this research identified that the dominant meaning that the majority of interviewees exhibited relates to consideration of future family generations with regard to the transfer of ownership¹¹⁸. While some included considerations of leadership transfer in contrast to ownership, several made it clear that ownership was their key concern due to their expressed linkage with equity (e.g. Fritz) or taxes (e.g. Tom). Nevertheless, the discussion highlighted that the identified core-category of *transfer of ownership* has linkages with *temporal dimensions* and *prioritising*, and may be regarded as a specific *goal* (an underlying aspect identified in this research) of the family owner/manager. In addition, it may or may not be following *traditions* (the other underlying aspect identified in this research) that existed in family firms in relation to the transfer of ownership.

It should be emphasised that the findings from this research deviate dramatically from the generally accepted goal of long-term orientation that is said to lead to transgenerational intentions for generations to come. While a few interviewees expressed views linked with this goal and the related firm temporality, the majority of interviewees did not reveal considerations for generations beyond the next, especially concerning the transfer of ownership. Moreover, the often-assumed dominant family influence on succession was not found to be present in this research¹¹⁹. The findings also suggest that the often assumed competition of goals may not necessarily be evident, or even exist in family firms to the degree assumed by some prior studies. Indeed, some stories told by the interviewees established that the economic and non-economic goals pursued in family firms may in fact comfortably co-exist.

¹¹⁸ Although several interviewees demonstrated that they associate some entities of future family generations with the stakeholder group "employees", it was not the purpose of this research to understand the differentiation process, but, rather, to examine how FFGs are regarded as a stakeholder group in their own right – if at all.

¹¹⁹ It therefore somewhat contradicts recent research (Anglin et al., 2016).

Ultimately though, the complex use of some or all of these (core-)categories and underlying aspects leads to the meaning that interviewees give to entities of future family generations, and eventually to the identification of future family generations as stakeholders, differentiated by their temporal dimensions. Other temporal dimensions and aspects were also found to be of relevance for the stakeholder meaning assigned to these entities, specifically the temporal dimensions of the interviewee her/himself (e.g. goal of retirement from the business) and of the business (e.g. wanting to grow the business), but also time in general (changes over time such as aging, and changes in traditions) and the time horizons applied by the interviewees (e.g. concern about their retirement).

The discussion of findings has taken into consideration the persistent underlying aspect of the dualism found in family firms: family and firm. The discussion of its influence has focused on the stakeholder status and/or salience of future family generations as stakeholder entities, and the relationship between the firm (i.e. its proxy the family firm owner/manager) and the stakeholder (i.e. entities of future family generations).

The discussion on the relationship between the firm and the stakeholder (and the influence from the relationship between family and firm) identified that the direction of the relationship is not necessarily driven by the stakeholder and his/her attributes as prior studies have often assumed. On the contrary, as was established at various points throughout this research, the key influence for stakeholder status and/or the salience of entities of future family generations was found to come from the manager's considerations. This latter point was established when attempting to match the findings from this research with the stakeholder salience model by Mitchell and various colleagues (Mitchell et al., 2011, 1997, 2013), and in particular their use of three stakeholder attributes.

This research established that neither the original nor the modified version of the stakeholder salience model was found to fit the findings from this research.¹²⁰

¹²⁰ It is interesting to note that Mitchell and several colleagues (Mitchell et al., 2016) very recently argued for the consideration of an "intracorporate marketplace", i.e. firm internal values, in connection with how managers react to different stakeholders and their claims. Yet, the group of academics failed to address potential consequences for stakeholder identification and salience.

The stakeholder salience model's attributes cannot explain the variations found in this research regarding stakeholder status and/or salience. The findings are thus in line with a view expressed by Siltaoja and Lähdesmäki (Siltaoja & Lähdesmäki, 2015) who recently argued that "[a]lthough stakeholder salience theory has received a great deal of scholarly attention [...], the theory has been criticized for overemphasizing rationality in managerial perceptions" (ibid., p.837). It can be proposed that this insufficiency is partly due to the salience model's static approach. In contrast, this research established that the stakeholder status and/or salience of future family generations as stakeholder entities is subject to change over time. The conceptual model must therefore allow for dynamisms and flexibility, especially with regard to the context of stakeholder identification and classification. As an alternative, this research therefore proposes a conceptual model that takes into account the considerations and assumptions it has discovered to be influential, which are illustrated in Figure 35 (p.273).¹²¹ The model incorporates changes over time and related dynamism via the introduction of the aspect of temporality, especially that of future family generations. Further, it allows flexibility by focusing less on stakeholder attributes and instead on considerations and views held by the firm's proxy, the family firm owner/manager.

In general, this research found that the meaning given to future family generations as stakeholder entities with or without salience is a complex construct shaped by a variety of considerations and assumptions, and which are context specific. Stakeholder attributes are found to form only a miniscule part; and even then, those attributes are found to be subjected to (re-) interpretation by the interviewee to a large degree, depending on context and circumstances.

¹²¹ The purpose of this conceptual model is not to enable researchers to measure factors and variables as Gioia et al. (2012) suggested to be the case for "constructs" but more to be in line with their view on "concepts".

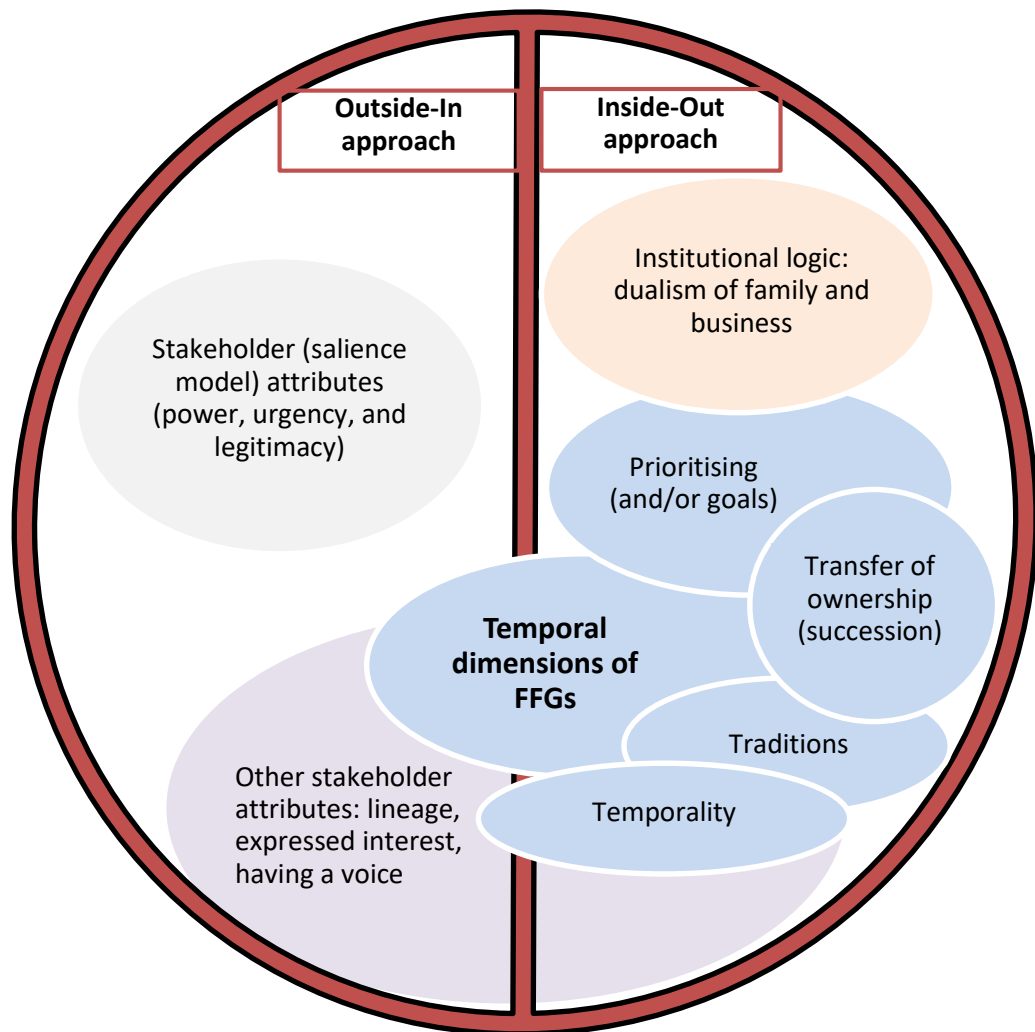


Figure 35 Illustration of conceptual model: the meaning given to future family generations as stakeholders in their own right of the family business (size of objects in model is not to scale)

The developed conceptual model (Figure 35 above¹²²) illustrates a variety of things. For one, the traditional three stakeholder attributes of power, urgency and legitimacy are not sufficient to explain the stakeholder status and/or salience attributed to future family generations. On the contrary, the attribute of “lineage”, or “legacy-based legitimacy” as advocated by Mitchell and colleagues (2011), applies to all entities, and thus cannot become a differentiating factor. The attributes of the stakeholder as perceived by the family firm owner/manager such as “expressing an interest” or “having a voice” do influence stakeholder status/salience. However, these examples, as well as those relating to

¹²² The colour, sizes and shapes are of no relevance. Only the shape's position within the two segments (left and right) is illustrative.

“temporality” are stakeholder attributes interpreted by the family business owner/manager, meaning that they are not objective attributes, but subjective, and are context-specific.¹²³

The model in general highlights the need for academics to recognise the importance of the manager’s considerations, views and underlying assumptions in relation to stakeholders and their status. Moreover, it suggests that no subject should be examined in isolation. The best example found in this research relates to the family business owner/manager’s goal to retire in the near future (their own temporal dimension) and to transfer ownership of their business to the next generation. That, however, requires the next generation to be of a suitable age, and in some cases to have reached a specific education level (temporal dimension of FFG). It further uses the underlying institutional logic by prioritising a family member. This example therefore highlights the complexity of why certain individuals who are members of the entity future family generations receive stakeholder status (and salience) while others do not. It further highlights why it is important for stakeholder researchers to consider managers’ considerations and views, and why the conceptual model developed in this research is consequently divided into “outside/in” and “inside/out” approaches.

In summary, this research has achieved its overall aim and answered the research questions. It has established that family firm owner/managers are more likely to act in relation to future family generations as a stakeholder entity than non-family owner/managers are, and that they therefore have to be regarded as the key proxy for the firm. The research also closed the initially identified gap in the literature regarding the stakeholder status of future family generations. It established that future family generations have to be considered as stakeholder groups in their own right. Moreover, this research established that the academic debate about human and non-human entities of stakeholders must be resolved in a different way where future family generations are concerned. The application of temporal dimensions to this specific stakeholder group divides it into smaller

¹²³ Mitchell and various colleagues (1997, 2011) did mention that the perception of the manager influences salience, but did not explain in what way. The salience model is very much an objectivist approach.

entities that are only partially linked with the human versus non-human debate. It thus adds the concept of temporality to the academic debate.

The range of variation found in this research confirms the generally accepted heterogeneity of family businesses as well as the influence of the prevailing institutional dualism of family and business in family firms. Moreover, it confirms the point recently made by Vazquez (Vazquez, 2016) that family firms have “[p]articular stakeholders, goals, relationships, and practices” (ibid., p. not specified). In addition though, the use of constructivist grounded theory, as suggested by Kathy Charmaz, required the pursuit of emerging directions which had not been anticipated at the outset of the research. The findings thus confirm that the use of an inductive interpretative perspective was not only appropriate and suitable for this specific research, but also that it enabled the identification of an emerging conceptual model that now requires further exposure to academic scrutiny, possibly via more qualitative research. Ultimately, the findings from this research create the contributions that this research makes to advancing knowledge, which are provided in the following chapter (Conclusions).

CHAPTER 6 - CONCLUSIONS

This project has achieved its aim and answered the posited research questions as reiterated in the concluding section of the previous chapter (Discussion), and as summarised in the following again:

- 1) In regards to the research question “*Who is the key entity to attribute stakeholder status and/or salience in family firms?*” this research finds that although it is not only the family business owner/manager who associates a certain stakeholder status with entities of future family generations, they are de facto the “dominant coalition” though as they were found to be the only managers intending to act upon their views. The finding thus reduces the ambiguity found in the literature in terms of the key entity likely or more likely to attribute stakeholder status to future family generations.

Somewhat linked with that research question is the finding that family firm owner/managers may take on a dual-proxy role in relation to future family generations: acting as a human proxy for the family firm as well as entities of future family generations at times.

- 2) In regards to the research question “*What meaning is given to future family generations in family businesses regarding their stakeholder status and/or salience?*” this research finds that although only few interviewees associated stakeholder status with salience (i.e. importance) to entities of future family generations, future family generations have to be regarded as a stakeholder group in their own right. This research thus contributes to the ongoing academics debate of humans versus non-humans as stakeholders. However, in addition, this research finds that interviewees differentiate the entirety of future family generations into smaller entities depending on their temporal dimension. This research thus finds that the dichotomy of human versus non-human does not fit with future family generations as stakeholders.

- 3) In regards to the research question “*Why is this meaning given to future family generations?*” this research finds that the commonly accepted approach of using stakeholder attributes as identifiers and/or differentiating factors for

stakeholder status is not sufficient. Instead, this research finds that interviewees construct the meaning using one or several of the following five considerations: transfer of ownership, temporal dimensions, and prioritising, with the underlying assumptions of goal setting and traditions (or in this research “breaking” with traditions). This research thus adds to stakeholder theory by highlighting that the managers’ perspectives require academic attention, moving away from the traditional approach of solely utilising stakeholder attributes.

As a consequence, this research makes several contributes to knowledge, which are provided in the following section of this chapter. In addition, this chapter provides an overview of implications of this research’s findings for academics as well as practitioners and policy makers before discussing limitations of this research and proposing avenues for future research. The thesis, and therefore this chapter, concludes with personal reflections on the research process.

6.1 **Contributions to Knowledge**

The contribution to knowledge of any research may come from several possible areas. Possibly the most common is that of contribution to theory. However, research may also contribute to advancing knowledge in areas such as a specific context, to practice and/or practitioners, to research approaches via new methods and/or methodologies, to policy, and/or to education. This specific doctoral research makes contributions to knowledge in several areas which are summarised in the following.

This research contributes to theory (in this research specifically to stakeholder theory) via the following points:

- This research places stakeholder theory into the specific context of family firms.
- Future family generations must be considered as a stakeholder group in its own right.

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- Members of the stakeholder group future family generations may be part of that group and/or at other times of the stakeholder group “employees”, thus creating a dual-stakeholder role.
 - The stakeholder group future family generations is divided into entities by their temporal dimension.
 - Dividing a stakeholder group by their temporal dimensions moves away from the dichotomy of human vs non-human status.
 - The family business owner/manager is the only manager who appears to be willing to act upon their views of future family generations as stakeholders and thus has to be regarded as the “dominant coalition” in family firms.
 - At times, the family firm owner/manager acts not only as human proxy for the firm, but also as human proxy for entities of future family generations (in some cases independent whether these are human or not).
 - The constructivist grounded theory research approach deviated from the traditional objectivist approach and thus enabled the identification of considerations of the firms’ managers and how their considerations impact on constructing the meaning of stakeholders, in this case future family generations.
 - The constructivist grounded theory research approach enabled the finding that the use of stakeholder attributes alone for the identification and/or differentiation of salience is not suitable or sufficient.

This research contributes to method/methodology via the following points:

- The use of a constructivist grounded theory research approach enabled a different angle to stakeholder research that has been dominated by objectivist approaches as can be seen in the traditional use of stakeholder attributes as identifiers.
- The use of a constructivist grounded theory approach highlighted that even where stakeholder attributes were identified in this research - such as temporal dimensions - these were seen through the lens of the interviewee and positioned in a specific context.

This research contributes to context via the following points:

- The research contributes to the specific context of family firms in general, and by using a stakeholder approach specifically.

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- The research provides further evidence for the heterogeneity of family firms.
 - The findings further the understanding of family firms, supporting the development of a theory of the family firm in the long-run.

6.1.1 Contributions to Theory

The theory applicable to this research is that of stakeholder theory, with a specific focus on the stakeholder salience model. Some academics (Whetten & Rodgers, 2012) have argued in the past that “theory [needs to] properly specif[y] key contextual components” (ibid., p.700). Family firms are such a contextual component. Consequently, by placing stakeholder theory into the context of family firms - as was done in this research - the theory is being made more specific. This research therefore provides a general contribution to stakeholder theory.

However, other academics (Reay & Whetten, 2011) have argued that theoretical contributions are those that “actually improve theory” and/or cause “matter experts to change their minds – to see different things or to see things in a new light” (ibid., p106). This research contributes in three areas to the theory: 1) identified stakeholder group(s) and their “properties”; 2) the issue of (human) proxies; and 3) the suitability of using stakeholder attributes.

Every organisation has a different set of stakeholders and stakeholder groups; and family firms in general are no different, specifically due to the family involvement. The literature review – both stakeholder and family firm literature – identified a lack of consideration for future family generations as stakeholders. This research concludes that future family generations have to be regarded as a stakeholder group in their own right. Nevertheless, as an aside in this research, it has become clear that in several cases interviewees also associated entities as members of the stakeholder group employees, thus creating a potential dual-role. More importantly though, this research established that the stakeholder group future family generations is divided into smaller entities, differentiated by their temporal dimension. While it may seem appropriate to think that there is a causal relationship between temporal dimensions of future family generations and their stakeholder status, this was neither identified in this research, nor was it in fact the purpose. Constructivist grounded theory in general, and this research was

no different, does not have the purpose of establishing a cause-effect link. Instead, this research found that creating the meaning of a specific entity of the stakeholder group future family generations was based on personal considerations in a specific context; that is, it is linked with the specific story told by interviewees.

The disaggregation of the newly identified stakeholder group by their temporal dimension has consequences though for the ongoing academic debate regarding human versus non-human requirement of stakeholders. The stakeholder group future family generations has members who are born – and therefore are human – and others who are not to be born for many years to come - and thus are non-human entities at present. Yet, interviewees did not use the differentiation between human and non-human, but used temporal dimensions - as identified and defined in this research. Consequently, the academic debate around the dichotomy of human/non-human does not apply to this new stakeholder group. Furthermore, this research contributes to the debate by providing a new angle, away from the traditional dichotomy.

The second area where this research contributes to stakeholder theory is that of proxies, specifically human proxies. Mitchell and colleagues (Mitchell et al., 2011) had argued that it is the “dominant coalition” in family firms who attribute stakeholder status. The group of academics implied that this is likely to be the family or a family member (manager). This research identified though that it is in fact the family business owner/manager who may be regarded as the “dominant coalition”; or, in other words, the family firm owner/manager is the human proxy who acts on behalf of the firm – in regards to future family generations. Non-family managers and family members who are not owners – even at director level positions – do not intend to act upon the meaning they give to entities of future family generations as stakeholders.

On the other hand, this research also contributes to theory by identifying that the family business owner/manager is not only the proxy for the firm, but may at times also assume the role of proxy for entities of future family generations.

It is not generally common to find that a human proxy fulfils two roles. The exceptions in practice are the HR managers of companies who at times have to represent employees and at other times represent senior management. These are both internal matters for firms, and at the outset appear to be either one or the other, i.e. exclusive, roles of HR managers. In contrast, the dual-proxy roles of family business owner/managers identified in this research appear to be in parallel with each other. That is, the proxy role for the family business is acted upon at the same time as the proxy role for some entities of future family generations (as exhibited, for example, by interviewee David). Moreover, the stakeholder is not an internal one, but is technically external to the company¹²⁴. The research found that family business owner/managers are more likely to adopt the role of proxy for entities of future family generations when these are either as yet unborn or not yet of an age perceived as old enough.

The adoption of a proxy role for some entities of future family generations appears to go back again to the general human versus non-human stakeholder theory debate. However, as Fassin (2008) established, and as was confirmed in this research, humans may assume the role of proxy for non-human stakeholders who are either not yet born or will never get to a human stage such as organisations and suppliers, but also for the natural environment and similar entities. At the same time, this research confirms Waddock's (Waddock, 2011) argument that "voiceless stakeholders" does not only apply to non-human entities, but may also apply to those who are perceived by managers as not having a voice, independent of whether they physically have one or not. In this research, future family generations who have been born but are still perceived as "too young" clearly fall into that latter category. Consequently, this point adds to the already made contribution regarding the dichotomy of human versus non-human stakeholder debate.

The third area of this research's contribution to theory relates to the traditional use of stakeholder attributes as an identifier and differentiator for stakeholders and their status.

¹²⁴ It was not possible in this research to investigate whether family business owner/managers may even fulfil a triple-proxy-role, i.e. as a proxy for the family, or whether future family generations must be regarded as a subset of the family.

This research used a constructivist grounded theory approach for identifying the meaning that is given to (entities of) future family generations. As a consequence, it was possible to establish that overall it is the manager's views and considerations that dominate whether stakeholder status is given to entities of future family generations or not. It thus followed already earlier discussed suggestions from academics, but specifically the promoted approach from Crilly and Sloan (2012) of an "inside-out" perspective; that is, a focus on the manager and away from the stakeholder. As previously discussed, Crilly and Sloan had regarded the sole focus on (external) stakeholder attributes – the outside-in view – as wrong. This research's findings support this point of view. Although the in this research identified consideration of temporal dimensions of future family generations may be regarded as a stakeholder attribute, this research found that it is the interviewee's interpretation of that attribute in combination with other considerations that leads to stakeholder status – or not. This research consequently has to conclude that the commonly used stakeholder salience model with its three attributes is not sufficient for stakeholder identification, especially in the context of family firms. Instead, academics should be prepared to move their focus on the manager potentially attributing a certain status to entities.

This latter point has a link with this research's contribution to method/methodology as will be discussed in the following section.

6.1.2 Contribution to Method/Methodology

In the past, numerous academics have pointed out that academics should consider different research approaches. Crilly and Sloan's (2012) suggestion is only one specific example for that. On a more generic level, Hibbert and colleagues (Hibbert et al., 2014) had argued that management research in general should be conducted not only outside the researcher's "knowledge community" (ibid., p.281), but also by using a "relationally reflexive research practice"¹²⁵ (ibid., p.283). Similarly, Pettigrew (2001) promoted the idea of

¹²⁵ The authors defined this as follows: "Relational practice refers to the social processes, practices, and relationships occurring between people in their everyday life as a person, manager, and/or researcher [...]. By reflexivity we mean—as a minimum—methodological self-consciousness, namely, a researcher's consciousness of her or his own assumptions and prejudices."

moving management research away from certain traditions and instead favoured the “re-engagement of management researchers with social scientists and users” (ibid., p.S61).

The literature review on the stakeholder approach identified an academic trend towards quantitative, i.e. objectivist, research; the most relevant example in this study being the ongoing use of stakeholder attributes for stakeholder identification purposes. The application of a constructivist grounded theory (CGT) approach in this present stakeholder related research thus deviates from the traditional approach. This latter point is evidenced by the results of a literature search¹²⁶ at the time of writing this thesis: only 211 peer-reviewed articles were found for the keyword combination of “stakeholder” and “grounded theory”, out of a total identified articles for “stakeholder” of over 21,000 in the last ten years alone. The situation is even more obvious when using “constructivist grounded theory” instead: only four articles were found, of which none was published in a business and/or management related journal. It therefore can be concluded that the use of a constructivist grounded theory research approach makes a methodological contribution to the field of management, and stakeholder theory specifically.

The method/methodological situation is not quite that clear in family business research though. In fact, one of the leading academics in the field (Sharma, 2016) very recently identified a “refreshing expansion of methods employed in research” and that “a balance of qualitative and quantitative methods were employed” (ibid., p.9). On the other hand, a literature review on the topic of succession concluded that there had been a clear focus on quantitative research in that subject in the past (Daspit, Holt, Chrisman, & Long, 2015). And other academics (Leppaaho, Plakoyiannaki, & Dimitratos, 2016) identified that even the most commonly used case study approach in family business research often used a positivistic viewpoint. Other academics again (Evert, Martin, McLeod, & Payne, 2016) recently stated that they also found a mix of qualitative and quantitative (and in fact mixed method) approaches, but that interviewing had been used to a large degree. Coding, however, as was done in this research as

¹²⁶ Database “Ebscohost” was used end of 2016.

part of the constructivist grounded theory approach, was not found by these academics as having been used for data analysis purposes.

Independent of past research, Gibb Dyer (Dyer, Jr., 2014), a globally recognised family business researcher, not that long ago expressed his personal views on the matter this way: the family business context requires a qualitative, and preferably grounded theory, approach partly because of its widely-found and generally accepted heterogeneity. It thus becomes clear that the in this research used constructivist grounded theory approach is not only in line with Dyer's personal views, but also contributes to a wider utilisation of qualitative approaches in family business research in general.

The value of this different (i.e. CGT) approach becomes apparent when considering the contribution this research makes to stakeholder theory: the identification that stakeholder attributes are of little consequence for stakeholder status of future family generations, but that in fact the manager's views and considerations are of importance for creating the meaning.

6.1.3 Contributions to Family Business Context

It is obvious that this research contributes to context as it is placed within the family business context, a specific type of company and business context. It therefore addresses a gap that Richard Priem (Priem, 2015), a globally respected management scholar, lamented very recently in a keynote speech, commenting that organisational studies and management theories lack an incorporation and understanding of the contextual influence of family businesses. Priem specifically emphasised the need for more management scholars to conduct research in family businesses of all sizes in order to move theories forward by allowing for the specific institutional context that exists in family firms: the dualism of family and business. Similarly, Laplume et al. (2008) urged a "more empirical research across a broader set of organizations apart from large publicly traded corporations, more qualitative research to document cognitive aspects of how managers respond to stakeholder expectations, and a return to the theory's emphasis on the strategic benefits of stakeholder management, albeit with a broader view of firm performance" (ibid., p.1152).

Although family business research has received increased attention from academics in more recent years, certain themes and topics have been addressed more than others, and certain approaches to research have been more dominant than others. This research adds to knowledge about family firms by using a stakeholder perspective instead of the dominant agency theory or resource based view.

The review of the family firm literature revealed that research has very much focused on two management theories: agency theory and RBV (resource based view). This aligns with findings by other academics, for example those who analysed the 25 most influential articles up until (and including) 2008 (Chrisman, Kellermanns, et al., 2009). Other academics who came to similar conclusions regarding the dominant use of these two theories since include Litz et al. (2011), Sharma et al. (2012), and Miller, Minichilli, and Corbetta (2013). Although the emphasis on these two theories has been established more recently again (Madison, Holt, Kellermanns, & Ranft, 2015) other academics have started arguing that an emphasis on agency and stewardship theory has existed in the field (Dodd & Dyck, 2015; Madison et al., 2015; Neubaum, Thomas, Dibrell, & Craig, 2016). Nevertheless, these academic findings confirm that stakeholder theory has been somewhat neglected in the context of family business research, despite academics arguing for the importance of inclusion in the family firm context (Vazquez, 2016). Specifically, Vazquez argued that a stakeholder perspective may help with the identification of ethical considerations in family firms, ultimately leading to a differentiation between family firms and non-family firms.

The use of a constructivist grounded theory approach in the present study not only adds to qualitative research in family businesses, the findings also support the heterogeneity of (family) firms, thus making another contribution for the specific context of family firms (but also stakeholder theory to some degree).

Crilly and Sloan (2012) had criticised researchers of reducing stakeholder theory to “explanations [that] go from the outside-in”, arguing that many prior authors had focused on the external and failed to “account for heterogeneity” of firms, i.e. the internal factors linked with the enterprise’s logic (ibid., p.1174). Although this research has not been about identifying the influence the dualism of family and business has on stakeholder status, the different research approach (i.e. the use

of CGT) enabled the identification of the range of variation. This range of variation is a point that some academics have made in the past, though for the specific subject of succession in the following example (Blumentritt et al., 2012): “[t]he many different forms and types of phenomena involved in family business succession reduce the likelihood that a singular theory for understanding succession might be developed” (ibid., p.64). The authors thereby pointed towards the heterogeneity of family firms. The range of variation identified in this research clearly points into the same direction, that is a contribution to knowledge about the long established heterogeneity of family firms. In addition, contributing knowledge to the family firm context means though that academics are able to move forward with gaining a better understanding of these firms, and in the long-run, potentially leading to the development of a theory of the family firm.

6.2 **Implications of Research Findings**

The previous sections presented the contributions this research makes to knowledge by focusing on the relevant theory, stakeholder theory, the approach taken to researching the subject, constructivist grounded theory, and the specific context this research is placed in, family firms. However, in addition to contributions to knowledge in these areas, there are also potential implications of this research; on future research/researchers in this area in general, but implications for practice and practitioners, education, and policy-making specifically, which are being addressed in the following paragraphs.

Implications of this research in regards to research and researchers can be narrowed down to a few key points. For one, the application of an interpretative inductive research approach required to look at data collection and analysis from a different angle. In turn, this resulted in findings that either aren't aligned with existing knowledge (e.g. long-term orientation may not be as widely-held goal as suggested by past family business research) or in fact contradict past research approaches (e.g. the sole use of stakeholder attributes). Secondly, the finding that future family generations are a stakeholder group in their own right has to be taken into consideration in both stakeholder theory as well as family business research. Moreover, the differentiation of this stakeholder group by their temporal

dimension has implications on the ongoing academic debate between human and non-human entities. The subsequent section (Section 6.3) addresses these key areas in more detail by providing suggestions for future research. Nevertheless, the overall implications from these findings are obvious. The traditional objectivist (management) research approach has focused on one area (stakeholder attributes), but somewhat neglected to consider the people who make these attributions. Additionally, the constructivist grounded theory approach allowed to look at data (and the research process itself) in a different way enabling richer data to emerge and - maybe more importantly – to identify the range of variation (rather than attempting to find a concept that appears to fit all). It is this identified range of variation that forms the basis for potential implications for practice, education, and policy-making.

Implications of this research to practice, education, and policy-making are somewhat linked: it is about how firms and/or their managers deal with stakeholders; that is, how they manage their stakeholders (practice), how they should manage their stakeholders (education), and what policies may be developed to help managers with stakeholder management. While it is not possible to predict the implications for each or what actions people in either of these three areas take as a result of this research, there can be no doubt that the findings potentially are changing people's actions.

The starting point for either – and all – of these three areas has to be the finding that future family generations have to be regarded as stakeholders in their own right. While the objective of this research was not to identify potential actions that result from this finding (e.g. decision-making), there can be no doubt that it has consequences. The most obvious and direct one is that of strategy development and strategic management in firms. Similarly applies to the identified dual stakeholder role of these stakeholders, but also the dual-proxy role of family firm owner/managers. Each of these findings influences relationships of the firm/managers with stakeholders and therefore is relevant and important on a strategic level. Specifically, it becomes relevant when identifying and/or pursuing certain firm goals such as intra-family succession. This latter subject should be of specific interest to policy-makers. Family firms have been established as

critical for local/national economies. It therefore should be a goal of policy-makers to ensure their sustainability; one key area being providing training and support to these firms, in such areas as discussed in the following.

Going back to a more generic level, it becomes clear that the identified lack of interviewees' knowledge and understanding of the term "stakeholder" has implications. This is not a problem in itself provided the interviewee in a (senior) management position is aware of the concept, specifically stakeholder management – though not using this terminology. However, this did not appear to be the case for all interviewees.

Stakeholder theory and stakeholder management are closely linked with strategic management (Freeman, 2010; Freeman & McVea, 2001) and therefore planning, and are said to create a competitive advantage (Berrone et al., 2007; Jensen, 2001; Ruf et al., 2001). As several interviewees whose company lacks a family firm constitution revealed, planning and strategic thinking appears limited. Examples included interviewees Rosie and David, whose respective financial directors lamented the lack of planning during their interviews. In fact, Rosie admitted that her FD and HR directors had mentioned succession planning to her repeatedly. Yet, possibly due to her own age, she had not taken any action. To make matters even worse, Rosie expressed the view that mentoring schemes for family firm MDs like her are beneficial. Yet, again, she admitted that she had not implemented succession planning despite one of these mentors having suggested it.

The above examples from this research suggest that some practitioners lack understanding of the stakeholder approach and the benefits of stakeholder management. This is therefore clearly an area where education should play a role. Whether educating practitioners is best done via formal courses at higher education institutions or via less formal courses like CPD (continuing professional development) is debatable, and is likely to be a personal preference. Nevertheless, this research has clearly identified the need for more education and more proactivity from the family firm owner/managers. It is not in the best interests of any family firm to leave succession planning until it is too late; as Rosie herself experienced when having to take over from her father after he fell ill.

The identification here of interviewees' associations of different temporal dimensions to future family generations creates another area where practitioners could benefit from education, and from more proactivity and awareness in general. This research identified that the interviewees use different sets of considerations and perspectives to create these temporal dimensions of the stakeholder group, which consequently lead to different levels of importance being assigned to entities. Specifically, the pursuit of family-related goals rather than a sole focus on business priorities falls into this category.

From the research findings, it appears that larger companies with family firm constitutions are more likely to emphasise the business side of the business rather than the family. However, as Nick and Martin exhibited, even within one owning family different members may have slightly different views on priorities outside of the business. Nick – the MD of the family firm - directly expressed the view that family members only become important to him when they reach a certain age and level of qualification, and are at least as good as non-family employees. Martin, a director in the firm, agrees with these views in the business context as illustrated previously. However, in a private setting, he also ensures that young family members under 18 years of age are well-prepared should they wish to join the family business via annual family gatherings, where he prepares business orientated games for them. He thus assigns importance to them that at present is not relevant for the business (and therefore was not mentioned previously), but which suggests his higher interest in (future) family employees in a personal context. Martin's behaviour and his goals which slightly differ from Nick's may create some level of internal conflict at some point in the future. It therefore is essential that both Nick and Martin are aware of these potentially inconsistent goals, and that they communicate these to avoid future conflict. Again, education could play a role in this process. Firstly, educational institutions may help family owner/managers to identify personal goals, i.e. raise their awareness of them. Second, courses may be specifically designed to teach how to manage and resolve conflict. The dualism of family and business creates some potential conflicts that do not exist in non-family firms. The association of a temporal dimension to future family generations is one specific example of that.

It is not only practitioners and educational institutions though who should be aware of the differing goals and, specifically, the implications of the temporal dimensions of future family generations as family business stakeholder entities. Family firm consultants also need to be aware of this identified temporal dimension. This is of specific interest and importance for consultants who advise family firms on succession in leadership and ownership. It may be that the consultant becomes the proxy to facilitate raising awareness of the goals and priorities of family owner/managers.

These examples highlight that the education of family business owner/managers is of vital importance in ensuring the long-term sustainability and positive impact of family firms on national economies. However, they also suggest that different individuals are likely to need different approaches. While some can afford (and are more likely to employ) consultants, others are inclined to accept advice from mentors from within certain networks. Another group are likely to need an approach closely suited to their needs and limited resources, which potentially requires a less formal approach than courses offered by higher education institutions. Nevertheless, educating family firm owner/managers is something that policy makers should consider, as it is in the interest of all economies globally to ensure that family businesses are sustainable as they make valuable contributions. Doing so may therefore lead to the development of policies that address the current apparent lack of suitable and affordable programmes for different sizes and types of family firms.

6.3 Limitations of Research and Suggestions for Future Research

The discussion chapter, and especially the contribution to knowledge section, have already implied some of the limitations of this research. While limitations relating to time, access to interviewees and other resources restrict any research project, one specific issue for this research was the unknown levels of openness of the interviewees towards the researcher. This issue was addressed through careful planning of the research and reflexive processes and the risk reduced as much as was possible. However, as the example of David and Fritz, his FD, highlighted, getting views from several people from within one company may be beneficial in future research; indeed, it may even be regarded as a form of

triangulation of data. The reason this strategy was not applied throughout the research was because small businesses would have been eliminated from the research and thus the range of variation would have reduced. This is caused by the multiple roles that family owner/managers take on in small firms, such as FD.

The suggestion for future research is therefore to identify companies where five or more family and non-family members work in senior management (or at least middle management) positions, and to adopt a case study approach for each, so each company represents one case, and the data analysis is extended to comparisons between cases in addition to comparisons of individuals, as was done in this research.

The application of a case study approach may also address another limitation identified in this research: the differences of meaning given to future family generations, but by different generations. This research solely focused on interviewing the current generation, but one area identified in this research is that of traditions. Transgenerational research may therefore add insight to this specific area.

Another emergent area during this research that could not be followed up due to resource restrictions, was the reason(s) why non-family owner/manager interviewees did not intend to act upon their views regarding the next or future generations. Although the discussion highlighted some possible areas based on the researcher's interpretation of the data, there is no doubt that future research would add substance to the interpretations made in this research. In addition, future research may be able to address whether or not non-family owner/managers are prepared to try to influence the family business owner/manager in some circumstances.

A further area where this research and any other interpretative project is potentially perceived as limited is in the process of interpretation itself (partly based on data collection via interviews). Alvesson (2003) had argued for the researcher to consider eight potential types of interview situations, relating to how the interviewee behaves and reacts during the interview. However, his argumentation, that each interview is a specific social context, is very much in

line with views promoted by Charmaz and incorporated in her developed constructivist grounded theory, which was applied in this research. On the other hand, it raises the issue of rigor and validity in interpretative research; that is: How can or do interpretative researchers know that their claims are valid, and how do they provide evidence for their interpretations? Although this subject has been addressed already in Chapter 3 Section 3.6, the following are some additional considerations on the topic.

Gioia and colleagues (Gioia et al., 2012; Patvardhan et al., 2015) have suggested to follow their developed framework for creating rigor in inductive research. They suggest a sequential approach of (what they define as) 1st order concepts, 2nd order themes, and aggregate dimensions. However, the group of academics assume that employees of a firm “are “knowledgeable agents,” namely, that people in organizations know what they are trying to do and can explain their thoughts, intentions, and actions” (Gioia et al., 2012, p.17). This research found evidence of the contrary; specifically, interviewees were not familiar with the terminology or concept of stakeholders and their management, and therefore not able to explain their thoughts on the subject.

It thus appears that to a large degree, the debate about validity of interpretations and rigour in the process comes back to what Hibbert et al. (2014) had referred to as “researchers [being] situated within [certain] knowledge communities” (ibid., p.2) and Dougherty (2015) expressed as “the conundrums people need to deal with [...] when they try to engage non-GTB [grounded theory building] colleagues and/or publish the work” (ibid., pp.606-607).

There is no doubt that the present interpretation of data is only one version of it, i.e. it is influenced by the researcher’s beliefs, experience, values and similar; as Charmaz has pointed out regularly: the researcher is part of the research process. This is acknowledged in this research, and creates a limitation that cannot be overcome other than by providing evidence in the form of quotes, extracts from memos and protocols, but also elaborating in detail on the research process; ultimately, creating the story of the researcher’s justification for certain interpretations of data in the form of an audit trail.

One suggestion for future research is the involvement of a second researcher, attending interviews and/or be present during data analysis. This would undoubtedly add a different perspective to data analysis and interpretation (an

option that is neither feasible nor appropriate for a doctoral research project). Another option, providing a similar approach to reduce this limitation, is the use of video recording equipment during interviewing. This, however, may create ethical issues and/or other interview process issues that require dealing with, which would need to be considered prior to data collection.

Another limitation identified in this research are the resource restrictions that prevented incorporating prior research related to the cognitive processes of the interviewees in relation to how and when they construct the meaning given to future family generations. Again, future research should consider addressing this gap when following up on the present findings. Partly related to this topic is the question of whether interviewees differentiate future family generations into entities as members of the stakeholder group family and/or employees. Furthermore, the differentiation between considerations of succession of leadership and those of ownership was not addressed in this research. These considerations all lay outside the remit of this research, but should be considered in future research.

In general, the heterogeneity of family firms creates a limitation for any project executed in this specific institutional context, leading to the question of how best to address this issue. The most commonly-used approach in academic studies has been constructing theory based on generalisation. However, because of the family business context's heterogeneity, this is not the most suitable way forward. Instead, as this research has highlighted, it appears that a qualitative approach is more appropriate in investigating the range of variation, by favouring a grounded theory research strategy. This however, relies on the researcher's worldview and does not necessarily suit all scholars. It may be speculated that this is part of the reason why family business scholars have not yet found a way to construct a theory for the family firm.

The identified dual-proxy role of family firm owner/managers is likely to impact on the relationship between the firm proxy and stakeholder. Stakeholder theory scholars such as Friedman and Miles (Friedman & Miles, 2002) lamented the ongoing lack of research into these relationships back in 2002, specifically with regard to temporal considerations. Unfortunately, it was beyond the scope of this

research to establish whether the dual-role creates a potential conflict for the individual and/or the firm, and whether or how the institutional logic of family businesses is influenced, or vice versa. Moreover, it was not possible due to limited resources to investigate whether the dual-role creates an opportunity or a threat to family businesses, particularly with regard to stakeholder management, and/or under what circumstances. Again, this is an area that future research should address.

Several other considerations lay outside the aim and objectives of this research, but should be considered by future research. The consideration of cognitive processes has already been mentioned. Another such consideration is that of the implications of the dual-proxy-role of the family firm owner/manager on stakeholder management, specifically beyond stakeholders that are members of the (wider) family. Moreover, future research may be able to investigate how the meaning given to entities of future family generations influences decision making and leads to certain decisions; particularly those of strategy and its management. The latter point was partially addressed by Boyd et al. (Boyd, Botero, & Fediuk, 2014) more recently, and it may be that findings from this research enable further development of their work. In general though, Chua et al. (Chua, Chrisman, & De Massis, 2015) have argued that decision-making in family businesses is an under-researched area, especially in relation to non-economic factors. This issue is potentially related to the specific institutional logic of family firms, and may add to the difficulty of developing a theory of the family firm. The latter point though, the specific institutional logic found in family firms – the dualism of family and business – is another area that should be addressed in future research. The always present dualism of family and business in family firms has clearly an influence on the meaning that is given to stakeholders, and specifically those linked with the family. In line with view by other academics (Reay, Jaskiewicz, & Hinings, 2015) it is suggested to identify the specific influence the dualism has on decision-making, but more relevant for this research stakeholders and their status and relationship with the firm and its managers.

6.4 **Reflexivity – Final Thoughts**

Last but not least, this section includes some observations which reflect on the experience of carrying out this doctoral research. As the following are solely my own personal experiences and thoughts, the section is written entirely in the first person singular and does not serve the purpose to make reference to academic or other literature.

In an earlier section, I discussed the potential risks of using a grounded theory approach in a UK (monograph) PhD. One issue is the UK PhD programme requirement of performing a full literature review before conducting the research. Having gone through the process, I more strongly agree with Kathy Charmaz views. In fact, I now believe that a researcher cannot and certainly should not start any research without having reviewed the key literature at least to some degree prior to research; in my view, the broader this review is, the better. However, there is also no doubt that following this path increases the risk to the researcher of focusing too much on one direction, potentially missing out on others that may not have been uncovered during the review of the literature (which is why I am in favour of a broad literature review).

I also believe that any researcher who considers using a constructivist grounded theory (CGT) approach, or any grounded theory for that matter, must keep an open mind, because if they do not, any research using CGT will be flawed from the start. Furthermore, the researcher needs to be able to identify his/her own worldview, cultural background, and other factors influencing the research (Fendt and Sachs (2007) provided an interesting insight on that subject). Consequently, a high degree of self-awareness is critical, as is a high degree of critical thinking. I therefore do not believe that every person or personality is suited to conducting CGT research. The resulting question is: Who decides who is suitable, why and when? This is where I believe supervisors and directors of doctoral research programmes (and similar academics) not only play a key role, but also have a responsibility. Supervisors and those in similar roles are the only people likely to have sufficient experience to make that judgement, because in my view a judgement is what is required; however, in many cases, this does not happen.

From personal experience, one of the most important things during my doctoral research was finding someone to talk to about my research who would not look at my work with preconceptions, but who could listen and ask critical questions that would force me to think about my research in a different way, to open up new avenues, and potential new interpretations. I was lucky enough to have that person, and was also in a position where I was able to rely on friends in academia to give me the necessary support structure. I believe that this support structure and feedback is even more crucial when conducting CGT research, which can (as discussed earlier) be a messy process. However, I also agree with Kathy Charmaz who argues that no available procedure exists that can be followed. Instead, and again subscribing to Charmaz' perspective, it is critical to have flexibility, to be able to follow emerging categories and general emerging leads in the research, and to be allowed to do so by one's supervisors. That is not to say, though, that there aren't certain steps that every researcher using (C)GT should use, and certain assumptions that are required; on the contrary. One specific example for me is coding.

The coding of data is essential and unavoidable, but the approach depends on the individual. I was a novice business/management researcher when I started the PhD programme with no prior knowledge of coding or coding software. Based on recommendations from experienced researchers, I decided to use NVivo, partly also because it was available free via the university. Unfortunately, I realised (too late) that NVivo was not the most appropriate software for my research, in part due to the software providing analysis tools that are primarily required in objectivist research, but for obvious reasons were of no use to me. I wasn't interested in knowing how many times I had found one specific code, or whether one interviewee had a specific range of codes placed against him/her.

Interestingly though, the process of applying some of the analysis tools offered by the NVivo software made me more aware of what I didn't need and what wasn't of interest or use to me. It also meant that I started looking in more detail at the relationships between codes and categories. However, for me, NVivo was not a useful tool that allowed me to work with my data in a way that made sense to me. I decided to reduce the use of the software solely to creating codes for each interview, thus using it as a coding database only. I did my higher level

comparison of codes and categories using graphical tools provided by MS Office (Word and PowerPoint) that allowed me to create visual models of my data. I believe that using visual models I had created helped me more with analysing the data than the coding process had done. One central reason for that was that: creating models forced me to focus on the key data only, i.e. the high level data, such as categories and sub-categories.

Returning to the earlier point of CGT being a messy process, constructivist grounded theory's relativist (interpretivist) worldview creates ambiguity, as so-called "data" is already interpreted by the time the data analysis starts, since during the interview the researcher's interactions and interpretations lead to them asking certain questions and neglecting others, usually subconsciously. I feel that interview scenarios are a bit like the example of an orchestra, where the researcher is the conductor and the different interviewees are the individual orchestra musicians. Each musician interprets their sheet music in certain ways; based on past experience, their technical ability, and how they see their environment, i.e. their fellow musicians. Meanwhile, the conductor (i.e. the researcher) attempts to make sense of each individual musician, trying to create "the bigger picture". However, the conductor is also unavoidably influenced by previous performances of the same music, his/her own interpretation of the music, and ultimately, by the music each orchestra musician provides to contribute to the overall experience. By the time the conductor attempts to create the big picture, not only has the music already been interpreted by each musician, but s/he is also limited by what the musician can offer in the first place in terms of their technical ability (i.e. data). The conductor has to work with what is available, similar to the researcher who has to work with the data s/he has gathered, trying to be as conscious as possible about previous interpretations that cannot be avoided. It is this part where writing memos and taking any form of notes, both before and after interviews, becomes crucial in interpretative research, especially in constructivist grounded theory. Being able to go back to personal thoughts and other notes before/after the interview is extremely useful during data analysis because it helps in clearing what I conceptualised as the fog (of data). It assists in making sense of the data as it provides additional information that would otherwise have likely been lost. However, these personal memos and notes also make the writing up of CGT research more difficult than it

would have been via other research methods. Moreover, it adds to the creation of a somewhat messy process.

Across the entire research process, including the writing up stage (which I see as part of data analysis, as the writing process forced me to think in a differently structured way), I looked at my research as a jigsaw puzzle to be solved. For me, using CGT meant that at the start of the research I was not sure where the research would lead. Based on personal experience and reviewing the literature, I had an idea of where it may go, but I couldn't be sure and had to stay open-minded. Therefore, to extend the puzzle metaphor, collecting data felt like discovering the pieces of a puzzle whose final image I didn't know. I immediately recognised that some pieces of data would be part of the puzzle; but for other pieces I couldn't be sure if they belonged to my puzzle or a completely different one. Only over time, with emerging categories and concepts, was I able to identify which were which, and the more pieces I collected, the more areas of my puzzle became clear, eventually revealing the whole image (and ultimately enabling me to develop the concept that is part of my research's contribution to knowledge).

Writing up this messy 'puzzle' process as a PhD thesis creates a problem, though. The use of CGT and not knowing which literature will turn out to be most relevant means that the discussion chapter will inevitably differ from other PhDs. There appears to be a general rule in UK academia that discussions should contain much less literature than the literature review chapter. However, when conducting CGT research, it is necessary to introduce new literature at all stages of the research, thereby adding a substantial amount of literature that was not part of the original literature review. This leads to a much larger ratio of literature in the discussion chapter than is usual, an issue that some academics less familiar with CGT don't appear to agree with. In fact, it seems that some PhDs have been written to make it appear that this new literature had been found initially, an approach that I personally disagree with as it gives a false impression of the grounded theory research process.

Ultimately, I have to establish that my personal background and worldview has a lot to do with the way I approached my doctoral research and my PhD experience,

and ultimately, the process of using Charmaz' constructivist grounded theory. I found myself in a position where, bizarrely, my (positivistic) engineering background actually helped me to sort through the "data mess". I believe that it allowed me to adopt a pragmatic approach to conducting the research, by which I mean in the sense of being able to analyse my situation and research findings, and as a consequence focus on what I believed at the time to be the most important codes or categories, i.e. to use a problem-solving approach. Moreover, confirming Glaser's 2009 view regarding novice researchers using GT, I used a "learning-by-doing" approach, and ended up with a steep learning curve, especially during the initial data collection and analysis. That said, I regard even the final stages of writing up of my research as part of this learning curve, albeit one which was not as steep as the start of the research process.

My "worldview" clearly has also had consequences in regards to data interpretation, and how to "justify" my interpretations (and ultimately why I chose constructivist grounded theory and not another variant). I personally completely agree with Dougherty (2015) when she states that: "doing GT is doing real science" (ibid., p.606) and "data are data" (ibid., p.607). She goes on to distinguish between two "knowledge communities" (as Hibbert et al. (2014) had referred to it) when making these statements (ibid., p.607):

Let us call one camp the "discover-wheels!" to refer to GTB [grounded theory building] users who seek to understand phenomena for which there are no complete explanations available. I use wheels! to emphasize our GTB tendencies to become enthralled with our work of discovery and also the presumption from the other side that we are sliding easily ("wheel-ing") through what should be careful and hard work.

Let us call the other camp the "confirmatoids" to refer to researchers who seek to confirm established theory. I use toids to emphasize our view that these researchers are robotic and oddly dispassionate, and their view that they are very careful and objective.

I personally could not agree more with her views. I have constantly felt that I was required to justify my choices as part of my research strategy in a way that other colleagues, using statistical analysis tools, were not. For me, the interpretation of data (including statistical analysis results), no matter whether that data is numeric or not, is just that: interpretation. Yet, I feel that I am being scrutinised more for not using a procedure that has been approved by the "confirmatoids" community.

I accept Suddaby's (2006) warning, or may be even criticism, that some researchers use grounded theory (or an interpretative stance) as an excuse for lazy research. However, having conducted this doctoral research has made me realise that the application of GT, and especially constructivist GT, does not allow for laziness; on the contrary, data analysis via coding requires long hours and going over each code (and category) time and time again. Moreover, having read several publications that claim to have used CGT, I realise that in each single case, it was easy to spot the short-cuts taken in the research or the attempt to conform to the "confirmatoids" community's standards that do not fit with Kathy Charmaz' views.

Ultimately, I have to accept that other people can only judge my research based on what I have put into words. However, readers, on the other hand, should accept that the research and interpretations were done by one person, and therefore represent only this one person's reality. These interpretations, and their written documentation, are not trying to pretend to be the reality of another researcher, nor are they trying to pretend to be generalizable. And it is this last point, being able to generalise findings, that makes me wonder if research in general, but in the family business context specifically, should move away from this traditional research paradigm and instead consider identifying the range of variation. (It is interesting to note that Perrault (2015) not that long ago criticised stakeholder theory for lacking knowledge of the heterogeneity of stakeholders, thus indirectly advocated the point of range of variation, too.) All too often (family business) researchers, in my view, attempt to create or use a concept that uses variables that are perceived as being measurable. However, I personally have asked myself on numerous occasions: Who benefits from being able to measure these variables? The academic response is: It is a contribution to theory, and therefore knowledge, and advances the field. However, surely, this limits the benefits to the academic community, and largely neglects practitioners; and I wonder if this thinking is still the most appropriate in the 21st century.

One last point is an observation that I made some time ago and is related to recent publications on the subject of modern versions of (interpretative) grounded theory, and specifically constructivist grounded theory: It appears that the authors whose views I value most are all female academics. In addition to my complete agreement with Charmaz, I found the works of Morse, Noerager, Stern,

and Clarke enlightening along with more recent work by Corbin. This leaves me wondering if there is a reason for that, but unfortunately, I don't know the answer.

It is interesting to note though that the family business research community appears to be much more open to qualitative research in general, and to grounded theory specifically (It may be that this is to some extent connected with the acceptance of the community that family firms are heterogeneous, and that therefore generalisability is an issue). In fact, Gibb Dyer (Dyer, Jr., 2014) expressed the view that grounded theory should be the only qualitative research method in the context of family firm research. His equally globally respected peers, e.g. Pramodita Sharma, Esra Memili, and Kimberley Eddleston (Eddleston, 2014; Memili, 2014; Sharma, 2014), agreed on that point, which leads me to wonder whether the (male dominated) management theory community has something to do with this observation (Hibbert et al. (2014) referred to it as the "knowledge community" a researcher places themselves into). Personal comments made by Richard Priem (Priem, 2015) during the 2015 International Family Enterprise Research Academy (IFERA) conference somewhat confirm this argument; he criticised management theorists, and specifically stakeholder theorists, for neglecting and/or avoiding the family business context in their research (in fact, he admitted that he himself had done so for many years, but that it is a gap that needs to be filled sooner rather than later).

This neglect of the family business context may also be part of the wider problem: the majority of management theory scholars are male and have until recently appeared to have favoured more "classic" approaches to research – Eisenhardt being the obvious exception to both points. This has meant that the male-dominated management research field has been reluctant to accept new contextual trends (such as family business research), but also new trends in approaches to research (such as constructivist grounded theory). Several scholars have previously protested against the continued dominance of quantitative research over the years, e.g. Ruth Aguilera (Aguilera, 2013). Deborah Dougherty (Dougherty, 2015) more recently expressed her dismay this way: "doing qualitative research is doing real science" (ibid., p.606) and "[c]alling qualitative research "qualitative" because it uses symbols other than numbers drives me nuts" (ibid., p.607).

However, until recently, high ranked international (management) journals have focused on publishing quantitative research, and only in recent years have the same journals started to accept more qualitative research papers. The Family Business Review (FBR) journal, which is internationally highly ranked (but slightly less so in the UK) is the best example of that. It has been ranked #4 internationally in the business category and has seen an increased number of qualitative research submissions, and of acceptances and eventually publications of that research (Sharma, 2013). In fact, its (female) editor Pramodita Sharma and guest editors made calls for the publication solely of qualitative research, in an attempt to support qualitative researchers to publish their research. Interestingly, Trish Reay's (Reay, 2014) article in FBR is still one of the most read/downloaded articles from the journal and addresses the topic of how to publish qualitative research.

For me personally, this recent trend is going in the right direction. Academics should move away from trying to generalise everything, and instead aim to investigate the range of variation. This research has clearly highlighted that an inductive approach leads to findings that are unexpected. In addition, perhaps because of my engineering background, I would like to see more applied research that can enable practitioners to improve their businesses, especially in the small and medium-sized family business context. In my view, academic research too often solely focuses on the contribution to theory and neglects the possible implications for practitioners and businesses.

CHAPTER 7 - REFERENCES

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CHAPTER 8 - APPENDIX

8.1 Overview of Sampling Strategy and Success-rate

Approach to identifying firms	Criteria/reasoning for choice(s)	How many contacted	How many responded	Response rate	How many intend to participate	Response rate	Of which actually interviewed	Response rate	Additional interviewees	Success rate overall
Personal network (private)	Use of network of personal contacts	10	8	80%	8	80%	6	60%	5	110%
Personal network (business)	Use of network of former business contacts	7	6	86%	6	86%	4	57%	7	157%
Snowballing via interviewees	Asking people who have gone through interview process about companies who may be willing to participate	11	11	100%	10	91%	8	73%	1	82%
Family Business Associations	Utilisation of members' lists	18	2	11%	1	6%	0	0%	0	0%
Associations and their members (and yellow pages)	Associations and their members' lists (those who had been identified as more likely to be a family firm)	5	3	60%	2	40%	0	0%	0	0%
Total interviews conducted 31		51	30	59%	27	53%	18	35%	13	61%

8.2 Example of Interview Protocol (David)

Vera Tens

Interview Memo

Name of interviewee - David

Name of company



Interview details

Date **date of interview**

Location his office/**location of office**

Time 1400-1430

Memo writing **date of interview**@1700-1715

Before interview

Person

David is currently MD (succeeded his father), 3rd generation, in direct line (grandfather).

Company

Founded 1946, currently approx. 100 employees.

Other

- 1) Interview has to focus on stakeholders: his understanding of what that is and why it is important, who does he regard as a stakeholder, how/where do FutFamGen fit into that picture.
- 2) What was his experience of being the FutFamGen himself?
- 3) What is he planning to do in terms of succession? Has he attended seminars or similar on the subject or similar? Is he pro-active?

Code of conduct

Recording of interview – agreement via email, but also verbal confirmation before start of recording.

Confidentiality – verbal agreement/confirmation from VT that no data will be shared with anybody else and all data used in PhD thesis will be anonymous.

Reflexivity of interview process, documented after interview

- VT despite mobile phone directly in front of him, did not appear to be bothered by that. Generally very open and honest about “feelings”. Appeared to have thought about it to some degree already in the past in terms of “what if” re business but also succession within -or not- the family.

VT perceived key points to be taken from interview

- 1) He was given choice to join or not and is applying same approach to his children.
- 2) He is assuming that daughter is not interested at all in business and/or joining, but that son may one day (he would clearly like that idea).

Key context facts

- 1) David is 3rd generation, and grew up in/with family business.
- 2) Business has been hit hard by 2008 crisis (clearly something David is very aware of and sort of angry-possibly feeling helpless about it to some degree as he can't influence it).

Vera Tens
Interview Memo
Name of interviewee - David
Name of company



Reflexivity over night and after

- 1) While he mentioned that his niece joined the company not that long ago, he does not appear to regard her as FutFamGen.
- 2) Dismissal of daughter because of one or several of: A) her age (only 15, doesn't know yet what she wants), B) she is a girl/female, and/or C) she isn't interested in joining.

VT implications (for future interviews)

- 1) Consider asking question related to "nepotism"
- 2) Does it make a difference whether a family member is direct or further away re FutFamGen – st.h. salience?
- 3) How important is male lineage? Versus female
- 4) Future interviews of non-family members to focus on FD and HR manager; possibly not at all necessary/useful to interview technical person.

8.3 Research Summary Provided to Interviewees As Part of Initial Email

RE: Support for doctoral research in family firms

Dear Sir/Madam,

Apologies for filling your inbox with unsolicited mail.

I am a doctoral researcher in the department of Business Management at Heriot-Watt University in Edinburgh. I wonder if you may be kind enough to spare some time to discuss the role of future family generations in your family firm with me.

To give you some background to myself and my doctoral research project. I am a trained joiner/cabinet maker and an engineer of wood science and technology. Since graduating in Germany in the late 1990s I have held several positions in the timber processing industry, both here in Scotland as well as initially back in Germany; in sawmilling companies and panel-board manufacturing firms. More than 10 years ago I moved to Scotland and did an MBA (with distinction) in Edinburgh, which has enabled me to start the PhD program with Heriot-Watt University in 2012 on a scholarship despite my engineering background.

My doctoral research focuses on the role that future family generations play in family firms, and I am trying to gain an understanding of underlying assumptions, views, attitudes, values etc. As such, I am interested in meeting with members of the firm's owning and/or managing family, but also with non-family members in key positions such as finance and HR where applicable/possible. The reason for the latter are findings from initial interviews that these non-family senior management team members can bring a different point of view to my research. The overall aim of my research is to show that family firms view and behave differently regarding certain stakeholders, specifically in relation to future family generations. It is anticipated that an often cited and used theoretical management model -called the stakeholder salience model - is shown not to be applicable to the family firm context, but will require substantial re-thinking to make it valuable to practitioners in family firms. In addition, I anticipate that stakeholder management requires some re-thinking in the context of family firms in order to make the approach more valuable for family firm owners and managers.

With this in mind, I was wondering whether I could impose on you and other members of your family/business in person for a short time – possibly in the region of 20 to 30 minutes – for a confidential and entirely anonymous recorded face-to-face interview? Following that, I'd be pleased to let you know the outcome of my research, should you be interested.

I am very flexible in terms of location for an interview. I would be happy to accommodate whichever date and time is convenient for you and other family members. Where at all possible, I would prefer to conduct all interviews on one day though to reduce travel requirements and thus costs.

Apologies again for interrupting your day. Any assistance you can give would be most gratefully received. I hope you can help. Should you have any questions, please do not hesitate to contact me, preferably via email.

Kindest regards

Vera

8.4 Initial Interview Guide

<u>Interview questions</u>	<u>What am I trying to get out of this?</u>	<u>How does this match with the literature?</u>
1. Would you tell me something about your company, its history and current situation?	General background to company, trying to build/establish a trust relationship with the interviewee.	n/a
How many employees does your company currently have? How many of your employees are members of your family or do you regard as being part of your family?		
Would you give me examples of events in the history of your company that you regard as important?		
2. Would you tell me something about your family's involvement in this company?	Starting to get a feel for link between family and business (perception of interviewee).	General view/perception of stakeholders, who is regarded as st.h. and how/where family fit into that picture.
How do you see the family in relation to other entities, e.g. customers or suppliers, or other?		
How do you see the family in comparison to the business? Are these two separate entities for you?		Potential indication for who is regarded as st.h.
Who do you regard as being part of your family?	Perception and views of future family generations (potentially also past generations); identification of underlying assumptions	Attributing st.h. status to which family members
3. Would you tell me something about how you got involved in the FB? (how, when, why)	Establish their own experience of succession process; e.g. did parents push? Was it own choice or felt "responsibility"? ...	Unknown whether own experience influences perception of stakeholders and specifically that of future family generations. Also legacy-based legitimacy?
Do you think you would or will take the same or similar approach for your children (or other family members)?	Do they perceive their experience as good or bad; are they likely to follow past generations' examples re succession (planning)?	
4. Would you tell me something about future family generations in this company?	Identification of cognitive processes of fam. Owners/managers in relation to st.h. in general, but FFG specifically;	Stakeholder salience: to whom, how and why do managers (or family owners) pay attention to? Where do FFG fit in? Legacy-based legitimacy?

<u>Interview questions</u>	<u>What am I trying to get out of this?</u>	<u>How does this match with the literature?</u>
When you think about your (wider) family, do you think of your children in terms of potential future employees or leaders of this firm?	Establish if already thought about the future of the firm in relation to FFG re succession and leadership (development)	Pursuit of transgenerational goals?
Do future family generations, e.g. your children, influence your day-to-day actions in the business (financial investments?) if yes, in what way?		Influence of FFG on business/actions. Goal setting and decision making mechanisms? Temporality?
Before you had children, did you think about the future of your business?	Differentiation between born vs unborn?	Differentiation between born vs unborn?
Does it make a difference if it is your child or other family members' children?		Stake/power vs type of legitimacy (legacy based)?
When you think about the future of your firm, where do you see your children fit in?	Succession planning (leadership development)?	LTO? transgenerational goals?
When and why did you start thinking about your firm and the potential involvement of your children?	At what point in time and why did considerations start?	Development of cognitive processes re transgenerational goals? Transfer of power?
Have you given your children or other FFG shares in the firm yet? If so, when and why? What triggered it		Transfer of stake and/or power
How important in your view is the family in regards to the business?		Overall st.h.salience of family?
How important in your view are FFG in regards to the business?		St.h.salience of future family generations?
5. Would you tell me something about the goals of this company? 6. ...and your personal ones in relation to this company?	Is goal setting done in a planned way? Is it done consciously or not? What is the process of goal setting in the firm and how is that influenced by family values etc. specific to future family generations? i.e. actions taken in/for the business that are influenced by thinking of FFG.	Identification of priorities: economic vs non-economic such as SEW, LTO etc.; identification of specific examples of actions in the business, resulting from giving FFG high salience.
Do you think the goals of this company have changed over time?	Get an understanding of what was done in the past, what is done at present, present, future...	
If you had to state the top 3 goals of this company, what would that be?		
7. Where do you see this company going? Where would you like this company to be in the	Identification of thinking/processes/actions in regards to planning for future, strategy	Addresses topic of LTO, but also (non-) economic goals potentially

<u>Interview questions</u>	<u>What am I trying to get out of this?</u>	<u>How does this match with the literature?</u>
future (e.g. 50 or 100 years)?	development (or lack thereof) etc.	
When you think about the future of the company, where do you see it going?		Potential urgency? (LTO? Non-eco goals?)
<i>1. Is there anything else you think might be of interest to me or my research project?</i>		
<i>2. Is there anything you would like to ask me?</i>		

8.5 **Background to Interviewees**

8.5.1 **Initial Sampling**

Astrid had owned a shop for more than two decades at the time of her interview. She had taken over the (single) shop from her father (and brothers) and ran it by herself until about a year after the interview, when she decided to give up the retail business for good. Her father had started the family business, and the original shop was taken over by her brothers after her father's death. At that time, she had already been running her shop by herself, initially as part of the family business, before later becoming independent of the rest of the business. She joined her father's business immediately after leaving school and has no children. She has several nieces and nephews who she did not consider as stakeholders for her business at the time of interview. The events since the interview have confirmed this interpretation.

Ben and Birgit are the owners of a single shop that they have built up themselves over the last 20 years or so. Owning a family business has run in Ben's family for generations and the couple have had various retail (single shop) businesses in the past. They have 4 children, of which only one is interested in working full-time for the family business, and who is going to be the future owner of the business; this is something which he and his three sisters already know. Ben and Birgit have clear views regarding their four children with regard to the business and their stakeholder status, which is based around the future ownership of the business, the effort the children have put into it, and their displayed interest.

Charles is the only son of interviewees Ben and Birgit and the identified future sole owner of the business. He had initially only worked part time in the family business during his school and university years. However, he decided to leave university and join the business full-time almost ten years prior to the interview. He is aware that he will become the owner of his parents' business when they

decide to retire, something that has been discussed within the family, but no date has yet been set or plans made.

David is the MD and majority owner of a manufacturing business in a traditional industry sector with around 100 employees. The business has been in his family for more than three generations, and he took over from his father more than ten years ago having already spent more than a decade working alongside his father in senior management. He has two children who are each under 16 years old, and one niece who recently joined the business as an employee. David is aware that the business requires cash to make some necessary investments, but does not want to give up full family ownership in order to raise the cash. He was one of the very few interviewees to declare knowledge of what the terminology “stakeholder” means, and stated that his children became stakeholders for the business when they were born. While he would like at least his son to join the business, he made it clear that his children should not expect for the business to remain in family ownership up to the time they potentially want to join.

Egon is not a family member and has been an employee of David’s firm for nearly seven years; he was in his early 30s at the time of his interview. His job in David’s firm is in the technical area and is his first since graduating from university. He was the only interviewee who had no opinion (as stated by him) about the family business owner/manager’s children in relation to the business.

Fritz is the non-family FD of David’s firm and has been with the company for more than seven years in that position at the time of his interview. He had previously worked in large non-family businesses and drew some interesting comparisons between the running of those businesses and his current employment. He was open about his opinions as exemplified in his statement that if the employment of the MD’s niece in his department hadn’t worked out, he would not have been able to do anything about it due to the family link.

8.5.2 Purposeful Sampling

The individuals interviewed for this phase of the research were all non-family business owner/managers; thus, they were either non-owning family members or non-family employees.

Tom, Ursula and Sarah are non-family employees in Rosie's company; Viktor is Rosie's cousin. The company is a medium-sized manufacturing firm, which has been in the family for more than 5 generations. All four participants have been working for the firm for more than 12 years, and in several cases 20 years, and knew the previous MD (Rosie's father) well. Tom is the FD in Rosie's firm and appears to hold similar views to Fritz. He is happy to go along with the decisions made by the family owner/manager, especially in relation to the transfer of ownership and planning for the future in general, such as for tax purposes.

Ursula is the HR manager/director in Rosie's firm and holds somewhat similar views to Tom in that she feels it is not up to her but to the owners to make decisions regarding the next or any future generation. She regards herself and all other employees as sort of part of the family; she says everyone is treated equally well. She has worked in family businesses before, and her husband is at present running his family's business. She is therefore in a position where she can make comparisons between several firms.

Sarah is Rosie's PA, and more or less confirms what Tom and Ursula already mentioned: that it is up to the family owners to decide on succession and the next generation, not to her. She will follow where the family owners lead.

Viktor is Rosie's cousin and although he is family, he is not an owner. He has been indirectly involved with the business from an early age onwards as his grandfather took him to work now and then while he was growing up. However, his side of the family no longer has ownership of the business, as his mother decided she did not want anything to do with it. He used to be involved in informal family-internal discussions about the business, but it appears that these have ceased since the current MD, Rosie, took over after her father had to step down due to illness. He does not see his future in the firm as he has nowhere to go there in terms of career; it appears that he is quite clear that he will never own

part of the firm and thus he has less emotional connection with it than other family members potentially might. He indicated after the recording had finished that he intends to leave the firm as soon as he sees a good opportunity.

Ismail, Jakob and Karl are family members without ownership in a medium-sized firm in the service industry. The firm is owned by family members Hugo (the majority shareholder) and Emily. Ismail is a cousin of Hugo's (the current chairman of the firm and its majority shareholder), but does not own any shares in the firm himself. He admits that he hasn't thought much (at all) about the future of the business, partly because of his own young age (he is in his twenties) and also because he only joined the firm about two years prior to the interview. He does not carry the family firm's surname anymore and regards himself more as an employee than a family member. He has two young children.

Jakob and Karl are also Hugo's cousins, who also do not hold shares in the firm. Jakob has children (3 girls) and would be happy for them to join the firm if they so wished. He was the only family member at the time of interview who was active in the firm, and still carries the same surname as the business. He has been with the company for around 12 years. Karl has two children (girls). He does not carry the surname anymore. He joined the firm less than two years prior to the interview and holds very similar views to Jakob: He would like to see the firm stay in family control for generations to come.

Deirdre is the niece of the shop owner (Neil) and one of several family members active in the micro business – on a part time basis like the others. She joined the firm due to a vacancy in the business. She leaves it up to her children to decide whether they want to join the business or not at a later stage, but appears to assume that there will have to be a business need for that to happen, as was the case for her. Thus, she leaves decision making to the owner of the family business who, at the time of interview, was her uncle Neil. She is aware though that both the owner's daughter and son-in-law have no intention to take over the family business or to become active in it again.

Greta is the only daughter of a former 3rd generation (trade) business owner, and recently took early retirement from another job; she had never joined the former family business. Her father had asked her repeatedly to take over the business, but she declined to do so, and the business was eventually sold to a non-family third party many years ago. Before the sale, the business had employed approximately 20 people, all of whom were non-family members.

8.5.3 Theoretical Sampling

The interviewees for the theoretical sampling phase were all family members who held at least some shares in the firm, and were in senior management positions such as MD or similar.

Fred was not willing to agree to a formal (recorded) interview but was happy to spend some time talking about aspects of his agricultural business. He is in his fifties and the 4th or later generation to run the same family business in the same location. His father used to run the business, but is no longer actively involved due to age-related health issues. Fred intends to sell the family business sooner rather than later as he regards it as too much hassle to continue.

Bernd, similarly to Fred, did not agree to a formal recorded interview, but did consent to an informal conversation in between serving customers in his shop, an environment which he is highly familiar with. Bernd is a 1st generation business owner, but used to work in the trade for many years before buying someone else's (unrelated) shop more than 25 years ago. He decided to become self-employed because his former employer closed the shop he worked in. He currently employs a couple of non-family members on a part-time basis, but intends to retire soon and sell the shop.

Casper, like Fred and Bernd, was not comfortable with a formal recorded interview, but very happy to spend time talking about the business he had built up himself over nearly ten years. The conversation took place in his showroom, an environment he is familiar with and at a time that seemed to suit him. Casper

had been in a similar situation to that described by Bernd almost a decade ago. His former employer had to make people redundant due to the recession. Instead of trying to find other employment in the trade in which he had spent most of his working life, Casper decided to set up his own business in that industry. He now employs his son (who is a part-owner of the business) and more than 10 non-family employees. He regards the business as still having growth potential, but doesn't want to do anything about it as he does not want to increase the number of non-family employees.

Helena told a similar story to Bernd and Casper in terms of the reasoning for setting up her own business more than 20 years ago. She had been working in her craft for over 20 years in another family firm, but decided to leave when the owner's son took over that business. At the time of interview, her business had 68 employees, some of them only working part-time. Her son and daughter-in-law had been active in the business for a few years at the time of the interview, and are the future owners of the business an issue which has been discussed between the generations.

Lorenz, together with his two brothers, joined the family business which was founded and run by his father, after doing other things for a few years. However, within a few years of initially all working together (and later on with one brother and his mother) the business was closed by the banks. Lorenz restarted the same business in the same premises immediately afterwards by himself, without re-employing his brother. Lorenz's son joined the business as an employee a few years ago. The business has 2-3 additional non-family members as employees, depending on workload.

Mark currently owns and runs the family business that has been in his family for several generations. The business has varied in size over the decades and has done different things. At present he is the only person working in the firm, with his mother working some hours every week on the admin side of the business. He has a son and a daughter, both in their teens.

Oskar's father started a business shortly before Oskar left school, in a trade that he had worked in all his life. Oskar joined immediately after leaving school and currently only employs one non-family person. His oldest son is 17 years old, and he also has a younger daughter. Health issues and his son's wish to pursue a career outside the family business have led him to reduce his business to a level that he feels he can manage by himself and one other non-family employee in order to suit his lifestyle.

Neil is the 2nd generation owner of the shop/business that his niece Deirdre also works in on a part-time basis. He took over the shop and business from his mother (and his father, who died much earlier). He had an older brother who died as a young man. Neil currently employs several of his sisters and nieces on a part-time basis, and has one non-family member working for him full-time. He would like to retire sooner rather than later, but hasn't been able to find a direct family member to take over from him.

Fiona continues to run her late father's business together with her brother after not wanting to join for many years. Instead, she started a completely different career after leaving school and only the event of her father potentially selling the business made her (and her brother) consider joining the business a few years ago. She currently employs approximately 30 staff, many of whom are part-time. However, during busy periods of the year in her shops she seeks help from family members including her mother, aunts and uncles, and also her nephew and niece who are not yet 18 years old. She regards the wider family as a source for cheap and ad-hoc employees or even volunteers.

Hugo is the current managing director of the family business and is a member of the 5th generation. His father and grandfather had been the majority owners of the business. At present, the business employs another five family members from other family branches, and a total of around 100 employees. His firm has put formal requirements in place regarding business ownership and leadership.

Emily is a cousin of Hugo and is not only active in the family business, but also a minority shareholder. She joined the business only a few years ago, after working in a completely different type of work for many years, later becoming part-owner due to a business vacancy.

Rosie is the current MD/CEO of a more than 5th generation family business. The business has existed in the family for several hundred years, but has done different things and varied in size over the centuries. Currently, the FB has in the region of 100 employees, of which only two are family members. Rosie previously joined the FB for a couple of years, before leaving to work for another organisation. She then re-joined after a few years and took over from her father soon afterwards due to his sudden illness. Her father still held the majority of shares and was the chairman of the board at the time of her interview, but he has decreasing direct involvement with the business due to his illness. She seems still to regard herself as more of the next generation than the current generation due to her age. Because of her age, and the fact that she is not married and has no children, she has not yet made any provision for succession planning despite her own sudden step up to MD, and despite admitting that others have recommended that she does so. She is active in family business networks, where she receives mentoring.

William is a 3rd generation joint owner (and MD) of his late father's manufacturing business that currently employs approximately 100 people. His company has put a firm constitution in place to regulate ownership and leadership. In addition, he is active in a family business network that he regards as very useful, and which has led him and his joint-owner sister to link their personal wills with the firm's constitution.

Martin is a director on the board of a more than five generations-old manufacturing business employing more than 1,000 people. He owns one of the largest individual share packages in the firm. At the time of interview, he was in the process of reducing his active time in the family business to less than one day a week in order to instead work for another business for more hours. However,

he is chairman of the family council that has a say at the board-level on the running of the family business, and is actively involved in the business development of the younger next family generation, for example at the annual family retreat.

Nick is Martin's cousin and the MD of the family business, but does not carry the FB's name any more as he is part of a different family branch. He did not mention how many shares he owns, but it is either similar to Martin's shareholding, or lower. His father was the previous MD of the company.

George is the chairman of the board and decided not to become MD too, but instead to appoint a non-family member when his father retired. Due to the changing scale and type of business it is difficult to say which family firm generation George belongs to, but it is more than 3rd generation. The manufacturing business has more than 1,000 employees, and is located on land owned by George with his own (traditional) family home also on it. With the help of a global consultancy, George has developed a family/firm constitution that regulates ownership and leadership and next generation inheritance.

8.6 Examples of Codes and Related Quotes

8.6.1 Examples for Figure 15

Code category	Code example	Quote	Interviewee
Reasoning for joining FB	Following in brother's footsteps	[...] my brother went into [the FB] because he was older than me and then I just sort of followed it ...just, blindly really. ...No reason...just came out of school or whatever.	Astrid
Reasoning for running FB	Being my own boss	I wanted to ...I was capable of doing my own decisions and run my own company	Astrid
Perceiving day-to-day running of business	Going with the flow Regarding own business as hard	I am not a person who plans ahead either. ...not a great one for planning the future, I just go with the flow. [...] It's a hard life.	Astrid
Planning for future of business	Not planning to pass on FB to NFG	...I wouldn't be passing [the FB] on because I don't have a family. So won't be passing it on.	Astrid
Perceiving people or groups of people as stakeholders	Perceiving nephews not as stakeholders re transfer of ownership	My brother up the road has two sons. I wouldn't imagine he would want them to take over [my] business.	Astrid
Comparing self with others (family firms)	Reasoning for not wanting to join FB	...my friend ...her parents have a family business. Her brother took over and she doesn't work in it but she always says that she felt that her childhood ..her parents were so wrapped up and working so hard to make this business a success which they did but it had a big impact on their childhood.	Astrid
Perceiving relationship/link between family and business (self)	Mixing family and business	When I was younger, I realised that all [my parents] did was talk about the business...there was never really a time when you were away from it. [...] I understand that because it is the same for me now [the business moves into the private time]	Astrid
Perceiving relationship/link between family and business (parents)	Resenting lack of family time	...more when i was younger, I realised that all they [N.B. parents] did was talk about the business. There was never really a time when you were away from it.	Astrid

8.6.2 Examples for Figure 16

Code category	Code example	Quote	Interviewee
Comparing with other FB	Reasoning for not wanting to join FB	...my friend ...her parents have a family business. Her brother took over and she doesn't work in it but she always says that she felt that her childhood ..her parents were so wrapped up and working so hard to make this business a success which they did but it had a big impact on their childhood.	Astrid
Comparing with other family member	Reasoning for brothers' involvement in FB	I think they [the brothers] just sort of got roped into it...you know, just with family businesses, that's the way it is	Astrid
Comparing with parents	Hierarchies in family and/or business	Q - Where was your mom in comparison to your brothers? A - I think she came under my brothers to be honest. Considering she started it, it was a bit of a cheek! It was because of her that the shop came about.	Astrid
Experiencing the FB when growing up	Experiencing working in FB	When I was a boy I used to come on a Saturday morning and sweep up sawdust and things like that. And then, latterly, when I was a student I would come and work during the summer holidays with the engineers and do things like that.	David
Reasoning for joining FB	Liking the idea of working for FB	Then, after I had done that I did another post-graduate degree in London and decided that, actually, the idea of being in the family firm wasn't such a bad idea after all, and started.	David
Reasoning for running FB	Being my own boss	I wanted to ...I was capable of doing my own decisions and run my own company	Astrid
Experiencing running the FB	Running own FB is hard work	It's a hard life for one thing running your own business. It's very much 6 days a week or 7 days a week the shop is open.	Astrid
Considering certain people or groups of people as stakeholder	Perceiving certain entities as stakeholders	Well, if you take the broadest interpretation of that view you would have to say, probably, me more than anyone else; strictly speaking, my mother because she's still a major shareholder; the bank, I suppose, because they... you know, we owe them a lot of money...	David
Views similar as family owner/manager	Stakeholders	Q - Who are the key stakeholders? A - Here? Well, obviously, the shareholders, the family, but there is less pressure on you to deliver returns here. You have to deliver returns for the bank, they are a major stakeholder now.	Fritz
Not intending to act upon views of FFGs		There was a need in the business for somebody and I would love to say she interviewed for the job and got it but the day she started I didn't even know her surname! It turns out very well because she's very good.	Fritz

8.6.3 Examples for Figure 17

Code category	Code example	Quote	Interviewee
Working for FB when growing up	Experiencing working for FB (during education)	...we had a problem with an employee here, [...] so we needed somebody full time. So I was going to take on and train somebody to do the job but by the time I'd been here six months I liked it so... I thought I'd put off going to university for another year but I just kept putting it off.	Charles
Being given the choice to join FB	Not wanting to join due to family conflict	I was working for him [N.B. father]; working for your father is difficult at times because you want to be the boss and you think you can do everything but he's still the boss, eh? And I soon left and went and worked with my cousin...	Ben & Birgit
Joining FB despite	Resenting lack of family time	...more when i was younger, I realised that all they [N.B. parents] did was talk about the business. There was never really a time when you were away from it.	Astrid
Reasoning for joining FB	Liking the idea of working for FB	Then, after I had done that I did another post-graduate degree in London and decided that, actually, the idea of being in the family firm wasn't such a bad idea after all, and started.	David
Reasoning for running own FB	Following in family tradition of own business natural thing to do	Q - So, it was a natural thing for you to just run your own business as well, then. A - Aye, just... Q - what made you... A - Never thought anything different about it.	Ben & Birgit
Running/planning future of FB	Assuming that business is going downhill	The [...] business has ... I would say it's probably going downhill because not as many people are buying [our product] nowadays.	Ben & Birgit
Perceiving day-to-day running of business	Applying we will always find something to do mentality	...we've been self-employed, we've turned our hand to many different things and we'll use that and we'll start and come and do something else just for the sake of it.	Charles
Giving NFG the choice to join or not		So, we felt really bad about [N.B. son leaving university] that but he could have went [sic] back at any time and we did say to him umpteen times to go back, go back, go back.	Ben & Birgit
	Business issues creeping into family time	It's not like going to work from nine o'clock to five o'clock and coming home and you shut off. Our life, and we live here, is constant, so it's 24 hours a day, seven days a week.	Ben & Birgit
Not wanting NFG to join FB	Being unsure about future of FB	I've also always taken the view that there's no guarantee there'll be a company here for him [N.B. the son] to come to.	David

8.6.4 Examples of added quotes and codes to Figure 15 during purposeful sampling

Code category	Code example	Quote	Interviewee
Experiencing or working for FB when growing up	Experiencing FB when growing up	I would be dragged down to the family business from a very young age. [...] 'd say I knew what the family business did from a very young age because, you know, I was a kid and I'd run around the factory, get the guys to make me things ...	Viktor
	Experiencing FB when growing up	We knew Granny was a [FB name] so that was kind of growing up what our link was you know, you knew that Granny was [part of the business] [...] because we knew it was her father's business and whatever.	Ismail
	Experiencing FB when growing up	[...] so [my dad] would often talk about things and he would talk about doing [job x and y and z] and things like that. [...] We'd pass by the office and Dad would always point it out. So, I suppose I was always aware of the company. I didn't really know much about it but I was always aware of the company. I knew who was running the company at that time. I knew it was my Dad's cousin.	Jakob
	Experiencing FB when growing up	[...] so my dad and [Hugo's dad] were cousins. So I always knew of the business but probably never massively had any huge kind of thoughts about me being part of the business [...]	Karl
	Working for FB when growing up	I did a Saturday when I was about 15, 14 or 15 I used to [work in the business]	Deirdre
Being given the choice to join FB		...everything that I did was a choice, for me and I think that in a way made me who I am now in an assertive sense that, you know, I was made to make those choices young. I was given the option.	Deirdre
		The older [cousin] worked in it for a little while but they weren't interested. [...] and my male cousin is an accountant still and I think that my father hoped that he would at least become interested but he came to [cuty X] and his life... [...] So there was nobody and at one point [...] Dad asked [my husband and myself] if we would be interested but it wasn't our training. [...] There was no onus on me to do anything else other than what I wanted to do.	Greta
Joining FB despite	Experiencing long hours	Yes. Largely, probably, due to seeing what running a family business can do to you, health-wise. I've seen it with [Rosie]'s father and that scares me a little bit. I look at that and I think that's not really where I want to end up and that's a lifestyle choice, you know, that's a sacrifice where you say to yourself...	Viktor
	Experiencing long hours	She was probably up 'til about three in the morning or something... [...] It was just a way of life for her. Just a way of life.	Deirdre
	Knowing about running FB being difficult	In fact [my father] said it was very hard running a printing business by that stage [...]	Greta

Code category	Code example	Quote	Interviewee
Reasoning for joining FB	Being asked to join due to FB need	So I was asked if I wanted to come and join the company [...] [...] I think I saw it as a good career path and it's a stable company and yeah I was looking for a change and my salary was going to increase quite a lot as well.	Jakob
	Joining FB due to job at risk and being asked	[...] it was mainly due to the recession. [...] [The FB was] looking for a new [FB job] and that's when [my relatives] kind of approached me and said is this something you'd be interested in which I never thought about it as such but they approached me.	Ismail
	Leaving last job, needing new one	[The FB owner] needed someone here, so...[...] I wanted out of [last job] because it was just all politics. It was...[...] The timing was perfect...	Deirdre
	Temporal dimension of self	So, I had no inbuilt aspirations to join the business, probably until I was 22. Something like that. 21? When I came back from travelling, I'd kind of got that out of my system, and I thought to myself, "Okay, let's see what working in the family business is like," and started in the factory, so spent a year there.	Viktor
	Joining due to current job issues	I kind of experienced the firm [a few years ago] and then probably about eighteen months ago, I was kind of unsettled with my previous employment and I had mentioned to [a family member] that if he knew if there was anything coming up to put my name forward which he did.	Karl
	Joining FB due to life event	Yes. I went to university and dropped out and it was sort of that bit in my life and I did do a little bit of summer job [in the FB].	Greta
Undefined	Considering family involvement and values	Yes, I mean I suppose, I suppose that there are always kind of needs to be a family element to the firm for the way that it is currently pitched. I guess on one hand that could change and it would be sad if that changes. In fact a lot of [business type x] are – were obviously family firms who've then been bought over by larger organisations. And I think you lose a lot of the personal involvement with families when you get to that point because they like to manage everything centrally and things.	Karl
	Having responsibilities as a family member	I think as a member of a family business you do have more responsibility when you analyse those risks to maybe try and make sure you get it right.	Viktor
	Taking care of family members	I know that my uncle's family were taken care of financially. At weekends my father looked after the relatives.	Greta
Running/planning future of FB	Speculating about a potential future sale of the FB	I mean, there are a lot of companies out there that would be very interested in buying this company and with the best will in the world, like any footballer in a football team, if a stupid enough offer comes in, every football club will sell their star player. So we're no different and that could also happen. So who knows?	Viktor
Giving NFG the choice to join or not		Do you know, if [my children] showed an interest, then I would probably teach them the skills that I've been taught.	Deirdre
Not wanting NFG to join FB	Not necessarily wanting NFG to join FB due to type of FB	I don't think I would personally ever push my children to be in the family firm because of the business that we're in. It needs to be something that you want to be in rather than something you've been thrust in.	Karl

8.6.5 Example quotes for code [Not acting upon view of FFGs]

Code	Quote	Interviewee
Not getting involved in FB planning	Well, I really haven't thought about [the future fo this company].	Egon
Leaving decision up to fam o/m	I don't know what [the MD] is thinking [in terms of investment decisions] but I would hope that now his son is 16 or 17 so...	Egon
Not being prepared to override family decision	So, if we want to move we have to raise the money elsewhere. Now, one of the ways to do so, one of probably the only way to do so is for a release of equity in the business which therefore would mean that the family owns less of the business. They're not prepared to look at that at the moment.	Fritz
Not questioning fam o/m authority		
Leaving decision up to fam o/m	But, while [the MD's mother] owns 60% of the business, she has no involvement, in the slightest, in the business. None. So, she owns 60% but [the MD] is the one that's making the decisions.	Fritz
Not getting involved in FB planning	Family succession planning is a grey area, so I have no idea.	Sarah
Not getting involved in succession planning	From my point of view, I just thought it was [the current MD who] worked for the company and she was living here, but there have been so many family discussions, you know, there may have been that discussion [about succession]. I really don't know.	Sarah
Not getting involved in succession planning	There have been discussions, but I'm not aware that there's anything in place, even for [the current majority shareholder] passing on. [His] wife is also a shareholder, so I'm not aware what the situation is with that.	Sarah
Not questioning fam o/m authority	If the managing director wants to do something, in a small business, then the managing director gets to do it.	Tom
Not questioning fam o/m authority	"[Tom], I'm going to take a flier on this one," and you'd just, "That's fine, as long as you're comfortable, you've done what you're going to do."	Tom
Not pushing for family decisions	I have suggested proper tax planning should take place, but as of yet there hasn't. So I don't know what more I can do from my way of trying to assist that process. It really would be up to them to grasp the nettle of what they want to do with the next generation. However, once they decide to grasp the nettle I'd be more than happy to work with them.	Tom
Not questioning fam o/m authority	I think everyone's aware that if [the MD] doesn't want something to happen, it won't happen. [...] Everyone knows she's the main decision-maker.	Ursula
Not pushing for family decisions	No, there was no thought to succession planning [in the past] and as far as I'm aware there's no further thought to succession planning.	Ursula

8.6.6 Example quotes for code [Temporal dimension of FFG]

Code	Quote	Interviewee
Looking beyond NFG Considering any FFG	Q - So is it fair to say that you're actually looking beyond your own children, your second cousins children – you're looking at I don't know – 50+ years sort of long term future of the business? A - Yes, yes I think for the business to keep its uniqueness, if you like, it would be great if it was handed on and I think irrelevant of who that is as long as they're kind of within the family.	Karl
Not considering NFG due to age	I've not really had any massive thoughts about them joining, probably well, Emma's six and Lucy's two so they're kind of a fair way away from needing to be looking for employment yet thankfully.	Karl
Considering NFG once reached age of 17/18 yo	Q - Is it fair to say that you would probably be more considerate of that issue when they get to the age of sort of 17 or 18, sort of start thinking about what they do after school? A - Yes, yes.	Karl
Not considering beyond NFG	I have suggested proper tax planning should take place, but as of yet there hasn't. So I don't know what more I can do from my way of trying to assist that process. It really would be up to them to grasp the nettle of what they want to do with the next generation. However, once they decide to grasp the nettle I'd be more than happy to work with them.	Tom
Not looking beyond CFG	No, there was no thought to succession planning and as far as I'm aware there's no further thought to succession planning.	Ursula
Not looking beyond CFG due to age	I think that's because she thinks she's young and that there's plenty of time, but of course none of us know. No, I'm not aware of any succession planning.	Ursula
Not looking beyond (born) NFG	I know [the MD] has one son and one daughter. And we occasionally see his son here during the summer shut down periods, Christmas shut downs or he is sometimes here. I don't know what his son is doing at the moment and I don't know how keen he is for the [FB].	Egon
Considering NFG due to age ~17	I don't know what [the MD] is thinking but I would hope that now his son is 16 or 17 so...	Egon
Not considering beyond NFG	I think [the MD] would like to, in theory if he wanted to, hand the business over to his son or daughter or both at some stage in the future [...]	Fritz
Not considering NFG in FB decisions	No, I think the overriding decision is still for the same reason to expand the business or whatever rather than the fact that the children..., the fact that they would benefit long term, I think, is an added bonus because...	Fritz
Reducing FFG to NFG Reducing NFG to 16 - 40 yo	So in terms of family, I would probably prioritise the next generation, which is, sort of, you know, anyone from say 16 to maybe 40 or something. Yes, people who could come in and take over the business. That would be the priority within the family, because they're the ones that could come in and help or be involved in running the group. (Nick)	Nick
NFG born	No, no, I wouldn't say so, maybe as soon as they were born. You could say that they have an interest even from the day they're born, in a sense, yes. (David)	David

Code	Quote	Interviewee
Considering NFG >18 and out of (higher) education	I've got two kids, a daughter who's 15 and a son who's 17 so they are still quite young and they're both still at school and they will probably both go to university and Robert will go to university next year and he's planning to do an Engineering degree. And I know that his view is that he certainly thinks coming into the family firm wouldn't be a bad thing to do. But, again, I've put no pressure on him to do so and I've also always taken the view that there's no guarantee there'll be a company here for him to come to. That's been true since the day he was born and that will be true until the day he does join, if he ever does.	David
Age ? Less than 18	[My daughter is] not really interested at all. I can't see her ever... you never know, though. I mean, she's only 15, she's still quite young yet. (David)	David
Any FFG	Q - So is it fair to say that you're actually looking beyond your own children, your second cousins children – you're looking at I don't know – 50+ years sort of long term future of the business. A - Yes, yes I think for the business to keep its uniqueness, if you like, it would be great if it was handed on and I think irrelevant of who that is as long as they're kind of within the family. (Karl)	Karl

8.6.7 Example quotes for “potential stakeholder”

Potential stakeholder entity of FFG	Quote	Interviewee
NFG born nieces & nephews	My brother up the road has two sons. I wouldn't imagine he would want them to take over [my] business.	Astrid
FFG - grandchild	I'm hoping that the new [yet unborn] baby will be a little girl with red hair and will [start working] for [my son in the business]. That's my plan! [...] What [my grandson] does, or what the little sister or brother might do in the future, who knows? I think they [NB the son and daughter-in-law] would.. they're very grounded parents, and I think they would want the best.	Helena
FFG - grandchild	So, if we want to move we have to raise the money elsewhere. Now, one of the ways to do so, one of probably the only way to do so is for a release of equity in the business which therefore would mean that the family owns less of the business.	Neil
NFG (born)	One week he wants to be policeman, next one is a fireman, and wants to be a footballer [laughs]. [...] He's just at that age. He's got a girlfriend. So he's just at that age now. I haven't even thought about it to be honest with you, haven't even thought about [handing over the business to my son].	Mark
NFG born nieces & nephews	I think until at least in their teens you can't really start to earmark [my nieces and nephews]. That's just my personal opinion.	Rosie

Potential stakeholder entity of FFG	Quote	Interviewee
NFG born	They don't really know what the business is exactly okay. I think they just quite like the idea of it. [...] Yeah, yeah absolutely and if they decide they would like to come into the business then yes there would be a place for them.	Hugo
all FFG	So there's never, we're never looking at winding things down at all [in the business]. It's always creating a way forward you know so, in a sense, yes, we're looking to keep it going for generations.	Neil
NFG >18	He's going to be head hunted, I can see it coming. I've already... he's already had a nibble of an approach from someone which, at this point, I've kind of batted into touch and said, "keep your hands off him", you know, but there is somebody out there, one person sniffing about him already.	Lorenz
all FFG	[As a family member] I think you do have a duty of care.	Viktor
all FFG	Yes, yes I think for the business to keep its uniqueness, if you like, it would be great if it was handed on and I think irrelevant of who that is as long as they're kind of within the family.	Karl
NFG	No, there was no thought to succession planning and as far as I'm aware there's no further thought to succession planning. [...] I think that's because [the MD] thinks she's young and that there's plenty of time, but of course none of us know. No, I'm not aware of any succession planning. Now, things may change if [her father] was to pass away and her mum was to pass away. I'm not sure.	Ursula
NFG	It really would be up to [the owners] to grasp the nettle of what they want to do with the next generation [in regards to succession].	Tom
NFG	I suppose in some ways it's not really up to me what happens to the next generation I don't think.	Jakob
NFG (born)	No, I think the overriding decision is still for the same reason to expand the business or whatever rather than the fact that the children..., the fact that they would benefit long term, I think, is an added bonus because...	Fritz
FFG beyond NFG	So, if we want to move we have to raise the money elsewhere. Now, one of the ways to do so, one of probably the only way to do so is for a release of equity in the business which therefore would mean that the family owns less of the business. They're not prepared to look at that at the moment.	Fritz
Born niece	There was a need in the business for somebody and I would love to say she interviewed for the job and got it but the day she started I didn't even know her surname! It turns out very well because she's very good.	David (quote from Fritz)
NFG born, own only	You know, if [my children] showed an interest, then I would probably teach them the skills that I've been taught.	Deirdra

8.6.8 Examples for Figure 33

Temp Dim FFG	Quote	Interviewee
FFG (any)	[Firm constitutions of these interviewees place criteria such as age and education and work experience requirements upon FFG - technically any]	Martin, George, William, Nick
FFG (any)	So there's never, we're never looking at winding things down at all [in the business]. It's always creating a way forward you know so, in a sense, yes, we're looking to keep it going for generations.	Neil
FFG (any)	[As a family member] I think you do have a duty of care.	Viktor
FFG (any)	Yes, yes I think for the business to keep its uniqueness, if you like, it would be great if it was handed on and I think irrelevant of who that is as long as they're kind of within the family.	Karl
NFG (any)	I suppose in some ways it's not really up to me what happens to the next generation I don't think.	Jakob
FFG (any)	The whole point of a family business is for the benefit of the family.	David
FFG - grandchild	Nothing's changed. [My daughter and her husband] have got their own life and their own ideas so, I'm not really affected.	Neil
FFG - unborn grandchild	I'm hoping that the new [yet unborn] baby will be a little girl with red hair and will [start working] for [my son in the business]. That's my plan! [...] What [my grandson] does, or what the little sister or brother might do in the future, who knows? I think they [NB the son and daughter-in-law] would.. they're very grounded parents, and I think they would want the best.	Helena
NFG from birth	No, no, I wouldn't say [before they were born], maybe as soon as they were born. You could say that they have an interest even from the day they're born, in a sense, yes.	David
NFG teens or less	So I have three children. My eldest is 11 an 11-year-old girl and an eight-year-old boy and a four-year-old girl. They have said to me that they would like to come and work in the business. They don't really know what the business is exactly okay. I think they just quite like the idea of it.	Hugo
NFG <teens	I think until at least in their teens you can't really start to earmark [my nieces and nephews]. That's just my personal opinion.	Rosie
NFG in teens	One week he wants to be policeman, next one is a fireman, and wants to be a footballer [laughs]. [...] He's just at that age. He's got a girlfriend. So he's just at that age [14yo] now. I haven't even thought about it to be honest with you, haven't even thought about [handing over the business to my son].	Mark
NFG mid teens	[My daughter is] not really interested at all. I can't see her ever... you never know, though. I mean, she's only 15, she's still quite young yet.	David
NFG >16yo	So in terms of family, I would probably prioritise the next generation, which is, sort of, you know, anyone from say 16 to maybe 40 or something.	Nick
NFG out of education NFG >=12yo	Absolutely. They will [have to finish their education first]. I've told my daughter that when she reaches High School so when she's 12 I will let her come in and do some Saturday job or help in the holidays.	Hugo
NFG >13yo and <18yo	[...] my nephew who's 14, my niece who's 13, and my second cousin who's 18 all work with me, just on Saturdays. And my little other second cousin who's just 17, he did work with us but then got an apprenticeship. So, from that young age, the age I was, we've encouraged them to come in and understand not the bones of the business [...]	Fiona
NFG <18yo and still in education NFG out of	I've got two kids, a daughter who's 15 and a son who's 17 so they are still quite young and they're both still at school and they will probably both go to university.	David
NFG about to leave school	[My cousin is] 18 now and she wants a career with child care.	Fiona

Temp Dim FFG	Quote	Interviewee
NFG still at school	[Note from interview memo: 15yo daughter not considered as still at school and therefore not able -yet- to potentially join FB]	Oskar
NFG about to leave school	[Note from interview memo: Son is 17yo and about to leave school. It therefore represents a possibility of him joining the FB, which is demonstrated in Oskar asking his son to do so - which was rejected.]	Oskar
NFG about to leave school	[Note from interview memo: NFG asked to join FB when leaving school which was agreed to, but not before finishing school.]	Casper
NFG out of education and has work	[Note from interview memo: FFG requires to be >18yo and to have worked in another company before being allowed to join FB.]	George

8.7 Examples of Codes and Categories

8.7.1 Temporal Dimensions

Code	Category	Type of temporal dimension	Context	Link with other categories	Interviewee
Considering life-cycle of business	Business	Business will be reduced in size due to NFG leaving	NFG is expected to leave FB due to better financial offer from external firm	Prioritising NFG - wanting what is best for own child	Lorenz
Considering life-cycle of business	Business	Business will be grown or reduced depending on future NFG involvement in it	Wanting to grow the FB, but perceiving NFG as only option to do so	Prioritising NFG - giving them the choice to join FB or not	Oskar
Considering life-cycle of business	Business	Unknown life-span of FB	Uncertainty of future of FB due to conflict of interests: own vs economy vs NFG intentions/interests	Prioritising self - not wanting to grow FB due to "life-style choice"	Mark
Intending to keep or grow FB	Business	Looking at the long-term of the FB, or at least beyond his life-time		Goal setting in FB - wanting to grow FB or at least maintain good status quo of FB	Casper, Helena
Thinking of winding FB down	Business	Business owned by family may come to an end due to sale	Considering selling FB to competitor after offer was made	Breaking with tradition to keep firm in family	Fiona's father
Thinking of winding FB down	Business	Business owned by family will come to an end as regarded as too much hard work	Considering options for winding FB down in coming years	Breaking with tradition to keep firm in family	Fred, Bernd
Being of right age and/or education level	FFG	NFG, born, >=17yo, finished school, and may be done further education and/or work	Wanting to retire, looking for successor	Prioritising business need in terms of successor (age and work/education level)	Neil, Fiona
Being of right age and/or education level	FFG	NFG, born, >=17yo, finished school, and may be done further education and/or work	Wanting NFG to join FB asap to help keep/grow it	Goal setting in FB - wanting to maintain family involvement in FB	Casper, Helena, Lorenz, Oskar
Considering any FFG due to wanting to maintain FB for the long-term	FFG	Any FFG, independent of whether born yet or not	Wanting to maintain family involvement in FB	Goal setting in FB - long-term orientation	Neil, Hugo
Considering FFG only in terms of transfer of ownership	FFG	NFG, born and has to be of right age/education level	Not yet thinking about retiring, but considering NFG only when thinking about transfer of ownership - some time in the future	Prioritising family - for transfer of ownership (some time in the future)	Emily, Fiona, Rosie
Considering future FB ownership due to event in life	FFG	Unknown, but not likely to go beyond NFG	Her recent marriage made her start thinking about her own life and who to give her shares to	? Prioritising family vs business re her shares?	Emily
Considering life-cycle of business	FFG	Own children (NFG, born)	Not considering FFG beyond own children due to uncertainty of future of the FB	Prioritising self?	Mark
Joining FB at 16/17 years of age	FFG	NFG, born, >=17yo, finished school, and may be done further education and/or work	Father joined that age	Trad - expectations	William
NFG working for FB	FFG	NFG, born, finished education and working in FB	NFG getting workexperience in FB in order to take over leadership and eventually ownership of FB		Casper, Helena, Lorenz
Not considering any type of FFG	FFG	FFG of no relevance, therefore no temporal dimension of relevance	Considering options for winding FB down in coming years due to perceived business issues	Breaking with tradition to keep firm in family	Fred, Bernd
Not considering FFG or their temporal dimension	FFG	None	She does not have children herself, nor will she ever	Possibly prioritising family vs business re her shares	Emily, Astrid
Not considering FFG or their temporal dimension due to family firm constitution requirements	FFG	None	Requirements of formal procedure have to be met and consequently interviewee's view is of no relevance	Possibly prioritising business	William, Nick, Martin, George

Code	Category	Type of temporal dimension	Context	Link with other categories	Interviewee
Not placing high importance onto born FFG due to age	FFG	FFG (beyond NFG) born, but still very young (pre-school)	Wanting any FFG to join FB asap to help keep/grow it	Goal setting in FB - wanting to maintain family involvement in FB	Casper, Helena
Not placing high importance onto FFG as not born yet	FFG	Unborn FFG	Daughter-in-law is pregnant	Goal setting in FB - wanting to maintain family involvement in FB	Helena
Not placing high importance onto NFG due to age	FFG	NFG, born, but still too young to "know what they want"	Own children are still too young to join or to even know what they want for their life	Prioritising NFG - giving them the choice to join FB or not	Mark, Hugo
Not placing high importance onto NFG due to age	FFG	NFG (of other family members), born, but still too young to "know what they want"	Children of other family members (e.g. siblings or shareholding cousins) are still too young to be considered as they can't join yet and/or don't know yet what they want	Prioritising NFG - giving them the choice to join FB or not	Mark, Hugo, Fiona, Rosie
Placing high hopes into NFG to grow business	FFG	NFG, born, >=~17yo, finished school, and may be done further education and/or work	Wanting to grow the FB, but perceiving NFG as only option to do so because of own health issues and unknown length of time left	Prioritising NFG - giving them the choice to join FB or not	Oskar
Reducing FFG to born FFG	FFG	NFG or FFG that is born	H. does consider her born grandchildren and voices that she would like one of them or both to take over eventually	Possibly prior own family line	Helena
Reducing FFG to NFG	FFG	NFG, born, >=~17yo, finished school, and may be done further education and/or work	Wanting to retire, looking for successor	Prioritising family members (including in-laws) for succession planning	Neil, Greta's father
Reducing FFG to NFG	FFG	NFG that may in the distant (!) future take over from her, not necessarily born yet	Reducing FFG to some form of NFG as linked with succession only	Prior bus	Fiona, Rosie, Nick
Reducing FFG to NFG	FFG	NFG, unknown	FFG discussion is being reduced to succession of FB and son	Possibly prior NFG	Helena
Reducing FFG to NFG	FFG	NFG that may in the distant (!) future take over from her, not necessarily born yet	Reducing FFG to some form of NFG as linked with transfer of ownership only, which requires to be active in FB		Emily & Fiona
Setting temporal dimension criteria for any FFG	FFG	Any type of FFG is being treated the same	Temporal dimension criteria set as part of formal constitution	Possibly prioritising business	William, Nick, Martin, George
Thinking of winding FB down	FFG	NFG, born, >=~17yo, finished school, and may be done further education and/or work	Looking for successor within family when sales offer is received at point when retirement seems of interest	Prioritising family members (including in-laws) for succession planning	Fiona's father
Waiting for successor to be of right age and/or out of education	FFG	NFG, born, >=~17yo, finished school, and may be done further education and/or work	Wanting to retire, looking for successor	Prioritising family members (including in-laws) for succession planning	Greta's father
Wanting to maintain family firm for generations to come	FFG	Any FFG, independent of whether born yet or not	Wanting to maintain family involvement in FB; family are the custodians of the firm	Goal setting in FB - long-term orientation	Neil, William, Martin
Being constraint by health issues	Self	Own age/health situation (leading to premature death)	Wanting to grow the FB, but perceiving NFG as only option to do so because of own health issues and unknown length of time left	Prioritising NFG - giving them the choice to join FB or not	Oskar
Considering own future	Self	Currently not yet at age where she considers retirement (mid 40s)	Due to her age she has not yet thought much about her own retirement, but does consider her brother's children as potential successors if they wish so.	Prioritising self - wanting to secure own retirement financially by selling FB	Fiona, William
Not placing any importance on FFG or NFG due to own age and life stage	Self	Not married, no children, still relatively young herself (early 30s)	She only took over from her father a few years ago due to an unplanned event and does not regard herself yet having to plan for succession	Possibly goal setting for own life	Rosie
Thinking of winding FB down	Self	Own age and stage in life	Considering own retirement	Prioritising self	Fiona's father, Fred, Bernd
Wanting to retire and looking for successor	Self	Own age and stage in life	Retirement	Prioritising self	Neil, Greta's father

8.7.2 Prioritising

Code	Category	Context	Link with one or more other categories	Interviewee
Putting business needs before family	Business	Future leadership for FB has to be right for the FB, and not what is right for the family or a family member	Trad - breaking, no LTO?!	Hugo
Running business solely based on business needs	Business	Decisions are made only based on what is regarded best for the business	Trad - breaking, no LTO?!	Nick (Martin) (George) (William)
Putting formal requirement in place for any FFG	Business	Certain criteria have to be met by NFG and beyond before they are allowed to join the FB and/or own part of the FB		William, Martin, Nick, George
Mixing family and business beyond death	Business	Own personal will is linked with FB requirements		William
Mixing business and family	Business	taking work home...dinner table discussions...working from home	Trad bus vs fam	Nick, Lorenz, Hugo, Emily, Greta, Neil
Separating business and family	Business	playing football with NFG	trad breaking bus vs fam	Lorenz
Being offered job in FB due to vacancy	Family (NFG)	E. was given first refusal for vacancy in FB - at a time when she was potentially looking for a new job (which her father knew from discussions)	Prior bus - vacancy was there	Emily (Hugo)
Trusting family more with future of business than non-family	Family	PFG would have liked to hand over FB to NFG due to existing trust, but as they were not interested other options were considered by PFG - initially only for leadership	Trad - breaking	Fiona
Working hard for the family/FFG	Family	working long hours of parents is perceived as them doing it "for the family!"	Trad - work ethics	Neil
Considering the long-term of the FB (not short term financial gains)	Family	Instead of looking at making short-term high financial gains, money is being re-invested into FB	Prior Fam vs Bus vs FFG	Rosie
Wanting to maintain family involvement/control	Family	...and not wanting to work more hours himself	Prior self - own work life balance?	Casper & Hugo & Neil & Rosie
Being given choice to join - or not	NFG	Not joining FB after leaving school or similar, but doing other things first	Trad-breaking	Neil & Fiona & Hugo & Emily Nick
Being given choice to join - or not	NFG	Although being given choice, parents wanting NFG to join	Trad - expectations	Greta & Neil & Rosie? Nick
Being given choice to join - or not	NFG	Greta was not expected at any point to join FB, but was given choice to do so if she wanted	Trad-breaking	Greta
Giving NFG choice to join - or not	NFG	Not pressuring NFG into joining FB, but giving them the choice to decide themselves; and join if they wish to do so	Trad-breaking	Helena & Lorenz & Neil & Fiona & Hugo
Giving NFG a job if they wish to join	NFG	Making clear that if own children want to work for the FB, there will be a job found for them		Hugo, Oskar

Code	Category	Context	Link with one or more other categories	Interviewee
Wanting what is best for NFG	NFG	FB is regarded as too much hassle, hard work etc.	Trad-breaking	Fred & Bernd
Wanting what is best for NFG	NFG	Enabling own NFG a good "start in life" by handing FB and handing it over to NFG (and daughter-in-law)		Helena
Wanting what is best for NFG	NFG	Although he wants his son to work for FB, he would be quite happy to see him get a better paid job elsewhere		Lorenz
Not joining initially due to family conflict	Self	Initially not wanting to join FB because of family conflict (with father only)	Trad-breaking	Neil
Considering own financial future and retirement	Self	Putting own financial needs before the emotional decision of handing over FB to niece or nephew; instead not ruling out selling FB when time comes	Trad - breaking	Fiona, William
Regarding FB as a life-style choice	Self	Allowing scaling up or down of FB as felt necessary or wanted	Trad - work ethics vs breaking with them	Oskar, Lorenz, Mark, Bernd
Giving NFG choice to join - or not	NFG	Male cousin was asked by father to take over FB, but he declined and left FB to work for other company	Trad	Greta

8.7.3 Transfer of Ownership

Code	Category	Context	Link with one or more other categories	Interviewee
Transferring ownership via male family line	Anecdotal	Father and uncle were joint owners, not their sister	Prioritising specific NFG - male family line Tradition - preferential treatment of male family line	Greta
Expecting specific NFG to take over (male)	Anecdotal	Father and uncle were expected to take over from their father, not the aunt	Tradition - preferential treatment of male family line	Greta, William
Following parent's expectations	Anecdotal	Father (and uncle) did join as expected	Tradition - Expectations & "following in father's footsteps"	Greta, William
Transferring ownership via male family line	Anecdotal	Male line of father and his father etc., divided at his father's level with uncle	Tradition - ToO via father and son(s)	Hugo (and Emily) & William
Not wanting NFG to join FB	NFG	FB is regarded as too much hassle, hard work etc.	Prior NFG - Wanting what is best for NFG Trad - breaking	Fred & Bernd
Not expecting NFG to take over FB due to lack of interest	NFG	NFG have voiced no interest in FB;	Trad - Breaking - Expectations	Neil & William (Fiona)
Not expecting NFG to take over FB as NFG is likely to leave	NFG	Older NFG has had offers from other firms	Prior NFG	Lorenz
Considering selling FB due to lack of interest from NFG	NFG	Lack of interest and potentially also entry criteria may make it necessary for them to sell FB in order to create financial security for their own retirement	Prior self - ensuring financial security for own retirement	William
Ensuring that family member is in key position(s) in FB	NFG	Preparing family NFG for taking over one day and/or at least being in key position in FB (ownership requires FB employment)	Prior family - Wanting to maintain family involvement/ownership of FB	Hugo

Code	Category	Context	Link with one or more other categories	Interviewee
Wanting NFG to join FB in order to take over at a later stage	NFG	FB is regarded as doing well, and requires more (trustworthy family member) employees	Prior NFG and family in general as employees; but also giving son choice Trad - ?	Casper
Giving NFG the choice to join the FB - or not	NFG	Not pushing NFG to join or take over FB unless they want to	Prior NFG - Wanting what is best for NFG Trad - breaking	e.g. Helena, Fiona, William, Hugo, George, Mark, Lorenz
Event leading to succession planning	NFG	Her husband's death made her think about succession in the FB and her wanting to hand over to son (and daughter-in-law) if they want to	Prior own family line, incl. daughter-in-law	Helena & Emily
Planning for transfer of ownership over generations	NFG	CFG and NFG sitting down together and discussing/agreeing on way forward re succession (leadership) and transfer of ownership	Prior family vs NFG	Helena
Lacking succession planning despite own experience	NFG	Despite her having to take over due to father's illness over night, she has not made any plans re leadership or ownership transfer		Rosie
Transfer of ownership independent of business, in line with personal will	NFG	Personal will decides who gets shares in company, without any requirements	Prior fam potentially	Nick, Martin
Disregarding gender re transfer of ownership	NFG	Mother was the head of the former FB (she founded it), and he would have been happy for his daughter to take over one day from him if she had wanted to	Trad - breaking - gender roles	Neil, George
Considering transferring ownership to external due to lack of interest from NFG	Self	Because both NFG had voiced no interest in joining FB, PFG had considered other non-family options prior to NFG joining	Trad breaking - ownership to go to non-family member	Fiona
Being given the choice to join FB or not	Self	PFG does not push CFG into joining FB or taking over	Prior NFG -giving choice	All, potential exception William due to father's expressed expectation
Hoping for family member to take over FB	Self	Father asks daughter several times before eventually selling FB to non-family due to lack of interest from any family, incl. son-in-law	Tradition - ToO	Greta
Event leading to joining FB (with the goal to take over fully eventually)	Self	Upcoming birth of first child made him re-evaluate his rejection to join FB due to family conflict (with father); joins because he sets up separate business - away from his father	? Prior self/family	Neil
Joining FB despite family conflict	Self	Not agreeing with father on personal and business matters, but joining FB on condition he gets his own separate area of the business (retail side)	Prior family/NFG	Neil

Code	Category	Context	Link with one or more other categories	Interviewee
Event leading to NFG joining FB and taking over	Self	Threat of Fb being sold by now PFG to external makes then NFG reconsider joining FB, ultimately leading to taking over soon afterwards completely, enabling PFG to retire	Prior family - Wanting to maintain family involvement/ownership of FB	Fiona
Working for FB, leaving and re-joining	Self	Fiona and her brother started helping out in FB from about age 11, but then went off to do other things on a full time basis after leaving school. Only when FB was threatened to be sold did they both re-join and soon afterwards took over ownership	Prior self - following own interests rather than potential FB needs, or parent's wishes/expectations	Fiona & Neil
Planning for transfer of ownership over generations	Self	PFG and now CFG (former NFG) sitting down together and discussing/agreeing on way forward re succession (leadership) and transfer of ownership	Prior family vs NFG	Hugo
Not knowing if PFG has intentions to transfer ownership to NFG	Self	H. did not know what his father's intentions were when he joined the FB as an employee	Trad - Breaking - Expectations (lack thereof?)	Hugo
Transferring ownership at point of retirement	Self	The event of PFG retiring meant that father transferred his ownership to those NFG of his who were active in the FB (formal requirement in FB)	Prior self possibly	Emily & William & Hugo
Transferring ownership due to unplanned event	Self	Sudden illness of father requires her to take over leadership and part ownership	Prior family potentially	Rosie
Requiring to meet certain criteria in order to qualify for being owner	Self & NFG	Formal (?) rule in place that requires any current or future owner of the FB to be active in the FB	Prior family - Wanting to maintain family involvement/ownership of FB	Emily, William, Hugo
Giving NFG the choice to join the FB - or not	Anecdotal	Not joining in the first place, or joining and then leaving before even being considered to become future owner; one of uncles daughters never joined, and other joined, but then left again	Tradition - breaking with T - IN/OUT Prior NFG - Wanting what is best for NFG	Greta
Wanting to transfer ownership via male family line	Anecdotal	Male cousin was asked first if wanting to take over; only when he declined was own daughter asked	Prioritising specific NFG - male family line Tradition - preferential treatment of male family line	Greta & William

8.7.4 Tradition

Code	Category	Context example	Link with one or more other categories	Interviewee
Disregarding gender re transfer of ownership	Breaking with T - gender roles	Mother was the head of the former FB (she founded it), and he would have been happy for his daughter to take over one day from him if she had wanted to	Prior Fam/NFG	Neil
Being given choice to join or not	Breaking with T - In/Out	Father told him to go do something else - before joining FB - to be certain about decision	Prioritising NFG - Giving them the choice to join or not; ensuring that they are sure they actually want to join FB	Hugo
Doing other things first before joining and taking over FB	Breaking with T - In/Out	Not joining FB immediately, or working for FB and then leaving etc.	Prior self - own life	Neil
Giving NFG choice to join - or not	Breaking with T - In/Out	Not pressuring NFG into joining FB, but giving them the choice to decide themselves; and join if they wish to do so	Prior NFG	Helena & Lorenz & Neil & Fiona & Hugo
Working for FB, leaving and re-joining	Breaking with T - In/Out	Fiona and her brother started helping out in FB from about age 11, but then went off to do other things on a full time basis after leaving school. Only when FB was threatened to be sold did they both re-join and soon afterwards took over ownership	Prior self - following own interests rather than potential FB needs, or parent's wishes/expectations	Fiona & Hugo & Lorenz & William & Neil & Martin & George
Following parent's expectations	Trad - gender roles	Father (and uncle) did join as expected	ToO Anecdotal	Greta, William
Transferring ownership via male family line	Trad - gender roles	Male line of father and his father etc., divided at his father's level with uncle	ToO Anecdotal	Hugo (and Emily) & William
Expecting specific NFG to take over	Trad - ToO	Father and uncle were expected to take over from their father, not the aunt	ToO Anecdotal	Greta, William
Hoping for family member to take over FB	Trad - ToO	Father asks daughter several times before eventually selling FB to non-family due to lack of interest from any family, incl. son-in-law	ToO Self	Greta, Rosie
Wanting for family to stay in control of FB	Trad - ToO	Casper wants his grandchild to get involved in the FB asap	Prior family via FFGs	Casper, Hugo, Helena, Neil
Regarding it as not/less necessary to mix family and business now	Breaking with T - bus vs fam	Due to former small size of FB, mix was necessary, but now regarded as not necessary any more	Prior family	Hugo
Separating business and family	Breaking with T - bus vs fam	playing football with NFG	Prior Business	Lorenz
Trying not to mix family and business	Breaking with T - bus vs fam	Playing ball with son(s) when not working, separating fam and bus life	Prior family	Lorenz
Regarding other family members as lazy in FB	Breaking with T - caring for family	Not wanting other family members to be working for the FB only because they are family if they are lazy	? Prior FB	Lorenz
Disregarding gender re transfer of ownership	Breaking with T - gender roles	Mother was the head of the former FB (she founded it), and he would have been happy for his daughter to take over one day from him if she had wanted to	ToO NFG	Neil, and George ???
Recognising that traditional gender roles played a part in FB	Breaking with T - gender roles	Formerly, no females in the industry, and even now very few due to type of work	? Prior bus	Hugo (Emily) & William
Being given choice to join - or not	Breaking with T - In/Out	Not joining FB after leaving school or similar, but doing other things first	Prior NFG	Neil & Fiona & Hugo & Emily Nick

Code	Category	Context example	Link with one or more other categories	Interviewee
Not joining initially due to family conflict	Breaking with T - In/Out	Initially not wanting to join FB because of family conflict (with father only)	Prior Self	Neil
Not wanting NFG to join FB too early	Breaking with T - In/Out	Traditionally son joins FB asap, but his father made him "experience a taste of life outside work"; W. being put into boarding school which meant working in FB only during school holidays		William
Wanting NFG to do other things first before joining FB	Breaking with T - In/Out	Father told him to go do something else - before joining FB - to be certain about decision	Prioritising NFG - Giving them the choice to join or not; ensuring that they are sure they actually want to join FB	Hugo & Lorenz & Emily
Working for FB when wanting to or needing to	Breaking with T - In/Out	After leaving university lack of other employment led to Greta working for FB for a short period	Prior NFG for employment	Greta
Joining FB not due to expectations/pressure from parent	Breaking with T - own interests=prior	W. always wanted to join, not because of felt expectation, but because of the type of business - his own interests	Prior NFG - Being given choice Prior self - following own interests (which match with FB)	William
Choosing not to have own children	Breaking with T - own interests=prior BUT impact on ToO!	Life-style choice of her and husband leads to no direct NFG options	Prior ? Self	Fiona
Being given choice to join - or not	Breaking with T - ToO	Greta was not expected at any point to join FB, but was given choice to do so if she wanted	Prior NFG	Greta
Being given choice to join - or not	Breaking with T - ToO	Although being given choice, parents wanting NFG to join	Prior NFG	Greta & Neil & Rosie? Nick
Considering own financial future and retirement	Breaking with T - ToO	Putting own financial needs before the emotional decision of handing over FB to niece or nephew; instead not ruling out selling FB when time comes	Prior Self	Fiona, William
Considering transferring ownership to external due to lack of interest from NFG	Breaking with T - ToO	Because both NFG had voiced no interest in joining FB, PFG had considered other non-family options prior to NFG joining	ToO Self	Fiona
Expecting tradition to change or has already changed	Breaking with T - ToO	Perceiving past tradition as son following in father's footsteps		Hugo
Joining FB at 16/17 years of age	Breaking with T - ToO	Father joined that age >> NFG, born, >=17yo, finished school, and may be done further education and/or work	TempDim FFG	William
Not expecting NFG to take over FB due to lack of interest	Breaking with T - ToO	NFG have voiced no interest in FB;	ToO NFG	Neil & William (Fiona)
Not knowing if PFG has intentions to transfer ownership to NFG	Breaking with T - ToO	H. did not know what his father's intentions were when he joined the FB as an employee	ToO Self	Hugo
Not wanting NFG to join FB	Breaking with T - ToO	FB is regarded as too much hassle, hard work etc.	Prior NFG - Wanting what is best for NFG	Fred & Bernd
Putting business needs before family	Breaking with T - ToO	Future leadership for FB has to be right for the FB, and not what is right for the family or a family member	Prior Business	Hugo
Running business solely based on business needs	Breaking with T - ToO	Decisions are made only based on what is regarded best for the business	Prior Business	Nick (Martin) (George) (William)

Code	Category	Context example	Link with one or more other categories	Interviewee
Trusting family more with future of business than non-family	Breaking with T - ToO	PFG would have liked to hand over FB to NFG due to existing trust, but as they were not interested other options were considered by PFG - initially only for leadership	Prior Family	Fiona
Wanting for NFG to know FB before making decision to join	Breaking with T - ToO	Involving NFG from an early age in FB so that he/she can get to know it and make an informed decision later on whether to join or not	Prior NFG - Wanting what is best for NFG	Helena
Wanting what is best for NFG	Breaking with T - ToO	FB is regarded as too much hassle, hard work etc.	Prior NFG	Fred & Bernd
Regarding FB as a life-style choice	Breaking with T - ToO?	Allowing scaling up or down of FB as felt necessary or wanted	Prior Self	Oskar, Lorenz, Mark, Bernd
Helping family members who are less well off	Trad - caring for family	Caring for other family members used to be the natural thing to do; however, did this go as far as succession etc.?	Prior fam	Greta
Being expected to work for FB during school holidays	Trad - gender roles	Expectation from father that son would work for FB during his school holidays		William
Differentiating between male and female family members	Trad - gender roles	Aunt was paid less when working for FB due to her being a woman		Greta
Expecting family member to help out in FB	Trad - gender roles	Aunt had to drop out of school and instead help out in FB after uncles suicide?when business wasn't good	Prioritising ?business over family - ?	Greta & Fiona & Hugo
Expecting family member to work for less (or no) money in FB	Trad - gender roles	When aunt left school and joint FB, she worked for the business but was apparently paid less than male family members or may be even non-family employees		Greta & Fiona & Rosie
Following in father's footsteps	Trad - gender roles	Father did with him what grandfather did with his father; grandfather told father to go do something else first, before (deciding to) joining FB	Prioritising NFG - Giving them the choice to join or not; ensuring that they are sure they actually want to join FB	Hugo
Following in father's footsteps	Trad - gender roles	Perceiving past tradition as: son following in father's footsteps		Hugo
Instilling work-ethics into son, not daughters	Trad - gender roles	Son is being expected to follow in father's footsteps - partially		William
Instilling work-ethics into son, not daughters	Trad - gender roles	Son is being expected to follow in father's footsteps - partially		William
Instilling work-ethics into son, not daughters	Trad - gender roles	Son is being expected to follow in father's footsteps, not daughters		William
Joining FB due to event	Trad - gender roles	Son being expected to join FB after father's death vs self imposed expectation; grandfather dies, father joins FB and moves whole family from Glasgow to Edinburgh; brother had already been in FB at that point though		Emily
Transferring ownership via male family line	Trad - gender roles	Father and uncle were joint owners, not their sister	ToO Anecdotal /Prioritising specific NFG - male family line	Greta
Taking over FB due to emotional reasons	Trad - ToO	Threat of FB being sold leads to joining FB and taking over	? Prior family - wanting to maintain fam inv/ownership	Fiona
Teaching NFG the FB trade/skills	Trad - ToO	No matter whether he and his siblings wanted, parents taught them the trade/necessary FB skills	? Prior FB's future or future family ownership	Neil

Code	Category	Context example	Link with one or more other categories	Interviewee
Wanting NFG to join FB	Trad - ToO	None of the NFG were in the FB, and R. only "local" one; father asked her to rejoin FB; unknown whether that was already as potential future successor		Rosie
Wanting NFG to join FB in order to take over at a later stage	Trad - ToO	FB is regarded as doing well, and requires more (trustworthy family member) employees	ToO NFG /Prior NFG and family in general as employees; but also giving son choice	Casper
Not wanting to follow in parent's footsteps	Breaking with T - work ethics	Regarding parent's working hours as too long etc.	Prior self	Neil
Regarding father as working hard and long hours	Breaking with T - work ethics	Implying that he admires his father for doing that, but does not wish to do the same	Prior ? Fam	William
Regarding it as normal that business used to "rule" family life	Trad - work ethics	Due to type of business and scale, it was seen as necessary to mix fam and bus	Prior bus	Emily
Regarding long working hours as normal in the past	Trad - work ethics	Working long hours together with father was ok for her	Prior bus	Rosie
Taking business home	Trad - work ethics	Mixing family and business life, e.g. during dinner etc.	Prior Business	Lorenz, Neil, Nick
Working hard for the family/FFG	Trad - work ethics	working long hours of parents is perceived as them doing it "for the family!"	Prior Family	Neil
Mixing business and family	Trad - work ethics	taking work home...dinner table discussions...working from home	Prior Business	Nick, Lorenz, Hugo, Emily, Greta, Neil

8.7.5 Goal Setting

Code	Category	Link with other	Interviewee
Wanting NFG to join FB asap to help keep/grow it	Business - growth ambitions	TempDim - FFG Prior - NFG	Casper, Helena, Neil Oskar
Not wanting NFG to join FB	Business - growth ambitions	Prior - self & NFG	Fred, Bernd
Requiring to meet certain criteria in order to qualify for being owner	Business - maintain family involvement in FB	TempDim - FFG Prior - business	Emily, William, Hugo, Nick, Martin, George
Family are the custodians of the firm	Family - maintain family involvement in FB	Prior - family vs business	William
Wanting to maintain family firm for generations to come	Family - maintain family involvement in FB	TempDim - FFG Prior - NFG	Neil, Hugo
Giving NFG choice to join - or not	NFG - Wanting what is best for NFG	Prior - NFG	Helena & Lorenz & Neil & Fiona & Hugo
Wanting what is best for NFG	NFG - Wanting what is best for NFG	Prior - NFG	Fred & Bernd
Regarding FB as a life-style choice	Self - life-style-choice	Prior - Self	Oskar, Lorenz, Mark, Bernd, Fred
Considering own financially secure future / retirement	Self - own future	Prior - Self	Fiona, William
Not placing high importance onto born FFG due to age	Business - growth ambitions	TempDim - FFG	Casper, Helena (Oskar)
Being of right age and/or education level	Business - maintain FB status or having growth ambitions	TempDim - FFG	Casper, Helena, Lorenz, Oskar
Not placing high importance onto FFG as not born yet	Business - maintain FB status or having growth ambitions	TempDim - FFG	Helena
Considering transferring ownership to external due to lack of interest from NFG	Business - maintain FB status or having growth ambitions	ToO - Self	Fiona
Requiring to meet certain criteria in order to qualify for being owner	Business - NFG requirements	ToO - Self / NFG	Emily, William, Hugo
Putting formal requirement in place for any FFG	Business - NFG requirements	Prior - Business	William, Martin, Nick, George
Mixing family and business beyond death	Business - NFG requirements	Prior - Business	William
Considering any FFG due to wanting to maintain FB for the long-term	Family - maintain fam inv	TempDim - FFG	Neil, Hugo
Wanting to maintain family firm for generations to come	Family - maintain fam inv	TempDim - FFG	Neil, William, Martin

Code	Category	Link with other	Interviewee
Ensuring that family member is in key position(s) in FB	Family - maintain fam inv	ToO - NFG	Hugo
Planning for transfer of ownership over generations	Family - maintain fam inv	ToO - NFG	Helena
Hoping for family member to take over FB	Family - maintain fam inv	ToO - Self	Greta
Event leading to NFG joining FB and taking over	Family - maintain fam inv	ToO - Self	Fiona
Planning for transfer of ownership over generations	Family - maintain fam inv	ToO - Self	Hugo
Transferring ownership at point of retirement	Family - maintain fam inv	ToO - Self	Emily & William & Hugo
Considering the long-term of the FB (not short term financial gains)	Family - maintain fam inv	Prior - Family	Rosie
Wanting to maintain family involvement/control	Family - maintain fam inv	Prior - Family	Casper & Hugo & Neil & Rosie
Giving NFG choice to join - or not	NFG - Wanting what is best for NFG	Prior - NFG	Helena & Lorenz & Neil & Fiona & Hugo
Wanting what is best for NFG	NFG - Wanting what is best for NFG	Prior - NFG	Fred & Bernd
Wanting what is best for NFG	NFG - Wanting what is best for NFG	Prior - NFG	Helena
Wanting what is best for NFG	NFG - Wanting what is best for NFG	Prior - NFG	Lorenz
Regarding FB as a life-style choice	Self - life-style-choice	Prior - Self	Oskar, Lorenz, Mark, Bernd, Fred
Considering own financial future and retirement	Self - own future	Prior - Self	Fiona, William
Not joining initially due to family conflict	Self - own future?	Prior - Self	Neil

8.7.6 Key Points From Each Interviewee regarding stakeholder status and salience

Interviewee	Which entity of FFG is being considered	Key consideration applied	Stakeholder status (for FB)	Stakeholder salience (for FB)	Key reasoning for importance
Egon	n/a	n/a	n/a	n/a	n/a
Greta	n/a	n/a	n/a	n/a	n/a
Lorenz	NFG (born) younger son	Specifically not considered due to his health circumstances	no	no	n/a
Nick	NFG >=16-18	As potential employee of FB	no	no	Not until they fulfill FB constitution requirements
Fred	NFG born	As potential successor/ToO	no	no	Does not want NFG to join/take over FB due to perceived FB status
Bernd	NFG born	As potential successor/ToO	no	no	Does not want NFG to join/take over FB due to perceived FB status
Rosie	none	Own temporality - no children yet or partner	no	no	Own temporality - no children yet or partner
Charles	none	Own temporality - no children yet or partner	no	no	Own temporality - no children yet or partner
Neil	NFG - daughter	linked with own retirement wish	No but former yes	High now zero	zero as she is not interested in business
Neil	NFG - son-in-law	linked with own retirement wish	No but former yes	High now zero	Now zero as he decided to leave FB to pursue other career
Ben & Birgit	NFG >=16-18 daughters	Own children for ToO	No but former yes	High now zero	Not interested in FB
Viktor	FB owner's NFG	not his children, not his business, intends to leave FB sooner rather than later	potential but no	no	He intends to leave the firm, so future of firm of no interest to him; and does not appear to look beyond NFG anyway for self?
Fiona	NFG born 2nd cousins (17&18)	As potential successor/ToO vs employee	potential but no	no	Perceived as not interested/are doing something else already
Astrid	NFG born nieces & nephews	No own children; nieces and nephews perceived as not interested in her FB	potential but no	no	Perceived as not interested, also potentially successors for father's FB, also potentially former conflict a reason
Casper	FFG - grandchild	As potential successor/ToO - LTO	potential but not yet	no	Not considered in FB context due to age (not even at school)
Helena	FFG - grandchild	As potential successor/ToO - LTO	potential but not yet	no	Not considered in FB context due to age (not even at school)
Neil	FFG - grandchild	As potential successor/ToO - LTO	potential but not yet	no	Not considered in FB context due to age (not even at school)
Mark	NFG (born)	ToO - as potential employee/ successor of FB	potential but not yet	no	Children are too young (<16yo)
Oskar	NFG <16-18	as potential employee/ successor of FB	potential but not yet	no	Too young to be considered as potential employee

Interviewee	Which entity of FFG is being considered	Key consideration applied	Stakeholder status (for FB)	Stakeholder salience (for FB)	Key reasoning for importance
Martin	NFG >=16-18	As potential employee of FB	potential but not yet	no	Not until they fulfill FB constitution requirements
George	NFG >=16-18	As potential employee of FB	potential but not yet	no	Not until they fulfill FB constitution requirements
William	NFG >=16-18	As potential successor/ToO	potential but not yet	no	Not until they fulfill FB constitution requirements
Rosie	NFG born nieces & nephews	She does not have children nor is she married	potential but not yet	no	Sisters live abroad and don't appear to have the wish to move back; their children are all still very young so wouldn't be able to join in the near future any way
Hugo	NFG born	own children; ToO can only happen to family members who are active in FB	potential but not yet	no but may change over time	Too young to know what they want
Neil	all FFG	maintain FB for (family) generations to come	potential yes	no	Zero for all at this point in time, until an individual is identified who is interested in taking over from him
Lorenz	NFG >18	as employee in FB, not ToO	potential yes	no	He expects him to leave FB due to better financial offer from external
Emily	NFG born nieces & nephews	ToO, she herself has no children	potential yes	no	Not yet made up her mind who she will give her FB shares in her will, but also considers general FB rules re ownership
Fiona	NFG born nieces & nephews (13 & ?14)	As potential successor/ToO vs employee	potential yes	no	Perceived as not interested
Oskar	NFG >=16-18	as potential employee/successor of FB	potential yes	no but may change over time	His son has voiced his lack of interest in joining FB
Viktor	all FFG	family has care of duty for FB	potential yes	not acting upon it	He intends to leave the firm, so future of firm of no interest to him; and does not appear to look beyond NFG anyway for self?
Ismail	all FFG	LTO, maintain FB values	potential yes	not acting upon it	Not up to him to decide
Karl	all FFG	LTO, maintain FB values	potential yes	not acting upon it	Not up to him to decide
Sarah	NFG	ToO	potential yes	not acting upon it	Higher level for those NFG of owners who are active in FB
Ursula	NFG	ToO	potential yes	not acting upon it	Higher level for those NFG of owners (not wider family e.g. Viktor)
Tom	NFG	ToO	potential yes	not acting upon it	Higher level for those NFG of owners (not wider family e.g. Viktor)
Jakob	NFG	ToO	potential yes	not acting upon it	Not up to him to decide
Fritz	NFG (born)	Children of the FB O/M	potential yes	not acting upon it	Does not intend to act upon his views re NFG
David	born niece	Family connection	potential yes as employee	no	n/a, only as employee, not in terms of ToO
Fiona	NFG born 2nd cousins (17&18)	Family connection	potential yes as employee	no	Perceived as not interested/are doing something else already
Fiona	NFG born nieces & nephews (13 & 14)	As employee and successor/ToO	potential yes as employee	no	Perceived as not interested/are doing something else already

Interviewee	Which entity of FFG is being considered	Key consideration applied	Stakeholder status (for FB)	Stakeholder salience (for FB)	Key reasoning for importance
Deirdra	NFG born, own only	due to being HER family	potential yes as employee	no	Leaves decisions to FB O/M
?granny	NFG born NOT grandchildren who are in some cases 15+	Successor (potentially leadership rather than ToO)	yes	?low	Regards self still as very capable, despite age (over 70)
Casper	NFG >=16-18	As employee and successor/ToO	yes	high	Process of ToO has started and is ongoing
Helena	NFG >=16-18	As employee and successor/ToO	yes	high	Process of ToO has started and is ongoing
Ben & Birgit	NFG >=16-18 son Charles	As employee and successor/ToO	yes	high	Has shown interest/effort; Process of ToO has started and is ongoing
David	NFG born, own only	His own children who may one day join FB and take over from him	yes	no	<<18 yo